

1905

BOARD OF DIRECTORS
SUTTER - BUTTE FLOOD CONTROL AGENCY

AGENDA SUMMARY

April 9, 2008

**1:30 P.M. Regular Meeting
Yuba-Sutter Economic Development Corporation's Conference Room
1227 Bridge Street, Suite C,
Yuba City, CA 95991**

<u>County of Sutter</u> 1. Dan Silva 2. Larry Montna Alt. Jim Whiteaker	<u>County of Butte</u> 1. Curt Josiassen 2. Bill Connelly Alt. Kim Yamaguchi
<u>City of Yuba City</u> 1. John Miller 2. Kash Gill Alt. Rory Ramirez, Tej Maan	<u>City of Gridley</u> 1. Marlena Sparks Alt. Jerry Anne Fichter
<u>City of Live Oak</u> 1. Harold Childers Alt. Judy K. Richards	<u>City of Biggs</u> 1. John Busch Alt. Jon Crawford
<u>Levee District 1</u> 1. Francis Silva 2. Al Montna Alt. Mike Vinsonhaler	<u>Levee District 9</u> 1. David Lamon 2. Dave 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. The times listed on the agenda are approximate and items may be brought up for discussion within a reasonable length of time before or after the time scheduled.

1:30 P.M. REGULAR MEETING/CALL TO ORDER
Roll Call
Pledge of Allegiance to the Flag

DISCUSSION AND ACTION ITEMS

- 1) Approval of the minutes for the Regular Board Meeting of March 12, 2008.
- 2) Approval of loan and grant agreement between the Agency and Sutter County for the lower Feather River set back levee at Star Bend.
- 3) Report back regarding final execution of the following agreements relating to the lower Feather River set back levee at Star Bend:
 - A. Loan agreement between the City of Yuba City and the Sutter-Butte Flood Control Agency.
 - B. Star Bend setback levee funding agreement between the Sutter-Butte Flood Control Agency and Levee District No. 1.

- 4) Discussion and possible action regarding the Contract with Downey Brand LLP
- 5) Presentation by Lincoln Crow of various planned activities related to a proposed "Flood Awareness Month" that would be focused on providing public information and education prior to next year's flood season.
- 6) Discussion and Board concurrence of the establishment of the following regular staff meetings for the purpose of improving communication and coordination among the member agencies:
 - A. Monthly meetings of the Technical Advisory Committee (TAC).
 - B. Quarterly meetings of the managers of the member agencies.
 - C. Bi-weekly meetings of the Flood Control Agency staff.
- 7) Progress report on the following studies and evaluations:
 - A. Report Re: status of the "Draft" Department of Water Resources' Levee Evaluation Study for the Sutter Basin.
 - B. Further report Re: status and timetable for the various flood mapping studies for the Sutter Basin.
 - C. Progress report Re: re-start of the USACE Feasibility Study for the Sutter Basin.
- 8) Discussion of Board strategy and policy direction for the preparation of the SBFCA Budget for the 2008-09 Fiscal Year.
 - A. Receipt and file of Treasurer's Check Register through March, 2008.
 - B. Receipt and file of Treasurer's Quarterly Financial Report, 3rd Quarter FY 2007-2008.
 - C. Discussion and Board direction Re: strategy and policy direction for the preparation of the SBFCA Budget for the 2008-09 Fiscal Year.
- 9) Discussion regarding consideration and placement of items on the agenda for the Sutter-Butte Flood Control Agency regular meeting on May 14, 2008.

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 agendaized 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.

OTHER BUSINESS – BOARD OF DIRECTORS

Requests for assistive listening devices or other accommodations, such as interpretive services, should be made through the Clerk of the Board at (530) 822-7106. Requests should be made at least 72 hours prior to the meeting. Later requests will be accommodated to the extent feasible.

SUTTER - BUTTE FLOOD CONTROL AGENCY

April 9, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Approval of the Minutes for the Regular Board of Directors Meeting of March 12, 2008.

We have attached the proposed minutes for the Board of Director's Regular meeting of March 12, 2008 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
MARCH 12, 2008**

The Sutter-Butte Flood Control Agency (Agency) Board of Directors, State of California, met on the above date in regular session at 1:30 p.m. in the Conference Room of the Yuba-Sutter Economic Development Corporation located at 1227 Bridge Street, Suite C, Yuba City, California.

MEMBERS PRESENT: Sutter County: Larry Montna, Dan Silva
City of Yuba City: John Miller, Kash Gill
City of Gridley: Marlena Sparks
City of Live Oak: Harold Childers
City of Biggs: Alternate Jon Crawford
Levee District 1: Francis Silva, Al Montna
Levee District 9: David Lamon, Dave Schmidl

MEMBERS ABSENT: Curt Josiassen and Bill Connelly, Butte County

STAFF PRESENT: Bill Edgar, Interim Executive Director; Janet Bender, Deputy Sutter County Counsel; Jaime Veglia, Administrative Analyst; and Lisa Bush, Deputy Clerk of the Board

REGULAR SESSION

Chairman John Miller called the meeting to order and asked the Clerk to call the roll of the Board, noting that Directors Curt Josiassen and Bill Connelly were absent.

Chairman Miller requested that Director Dan Silva lead the Board and the audience in the Pledge of Allegiance to the Flag.

DISCUSSION AND ACTION ITEMS

1) **Approval of Minutes**

On motion of Director Dan Silva, seconded by Director Larry Montna and carried by those present, the Board approved the minutes of the February 13, 2008 session as presented.

2) **Loan Agreement with City of Yuba City**

Bill Edgar, Interim Executive Director, reviewed the staff report and explained that the JPA provides for Sutter County, the City of Yuba City, and Levee District 1 to provide for start-up operational monies for the Agency in the form of a loan. Sutter County and the City of Yuba City have approved contributions of \$258,150 each. This loan agreement was approved by Yuba City Council on February 19, 2008.

On motion of Director Al Montna, seconded by Director Dan Silva and carried by those present, the Board approved the loan agreement with City of Yuba City (A08-004) and authorized the Chairman to sign said agreement.

3) **Contract with Peterson-Brustad, Inc.**

Bill Edgar, Interim Executive Director, reviewed the staff report and explained that Peterson-Brustad, Inc. is currently under a joint contract with Sutter County and the City of Yuba City to monitor and complete the required work of the local sponsor for the USACE Feasibility Study. The County and City now wishes for flood management activities, and in particular this study, to be handled by the Sutter-Butte Flood Control Agency (Agency). Staff recommends approval of this contract.

Janet Bender, Interim Agency Counsel, explained that the proposed agreement has been modified and includes additional language on Page 3, Section 9, Indemnification. Ms. Bender explained that the revised language is necessary due to a new requirement in the Civil Code.

On motion of Director Dan Silva, seconded by Director David Lamon and carried by those present, the Board approved a contract (A08-005) with Peterson-Brustad, Inc. for flood management services, with the revised language to Section 9, Indemnification, on Page 3.

4) **Waiver of Potential Conflict of Interest**

Bill Edgar, Interim Executive Director, stated that the proposed Waiver of Potential Conflict of Interest is in regards to the next agenda item, #5.

Janet Bender, Interim Counsel, explained that the California Rules of Professional Conduct require that an attorney obtain the informed written consent of each client in order to represent both clients in a matter in which the interest of the clients could potentially conflict. County Counsel, as Interim General Counsel for the Agency, prepared the Loan Agreement on behalf of both the Agency and the County. County Counsel has requested that the Board sign a Waiver of Potential Conflict of Interest.

On motion of Director Dave Schmidl, seconded by Director David Lamon and carried by those present, the Board approved a Waiver of Potential Conflict of Interest with the County of Sutter in County Counsel's Representation of Sutter County and the Agency in Preparation of the Loan Agreement between Sutter County and the Agency.

5) Loan and Funding Agreements

Bill Edgar, Interim Executive Director, reviewed the staff report and explained that both the County of Sutter and the City of Yuba City have agreed to lend the Agency funds to be used for the local share of the Star Bend Setback Levee Project (Project). The Agency will then disburse loan funds in accordance with the Project as approved by the Department of Water Resources. Repayment of loans made by the County and City would be contingent on the Agency receiving sufficient funds to repay the loan through a benefit assessment, tax or other source of funding to the Agency.

Janet Bender, Interim Counsel, explained that the Sutter County Board of Supervisors approved the loan agreement with the Agency this morning, during a special meeting of the Board, with a change to the agreement. The Board approved the agreement, after the addition of section #4, Exception to Repayment. This section exempts Calpine Corporation from re-payment of \$1.3 million if funds are obtained by assessments.

Director Al Montna stated that it is his understanding that the \$1.3 million from Calpine should not be repaid back to the County, as it was a grant.

Bill Edgar explained that at the Supervisors meeting this morning, the Board discussed whether the funds from Calpine should be paid back to the County or not; and whether Calpine should be included or exempt if a benefit assessment is approved. After discussion, the Board decided to have the monies from Calpine paid back to the County, and to exempt Calpine should a benefit assessment be approved.

Director Al Montna suggested that this item be tabled for a month, as it is his opinion that the monies from Calpine should not be paid back to the County because they were a grant.

On motion of Director Al Montna, seconded by Director Dave Schmidl and carried by those present, the Board approved a loan agreement with Sutter County (A08-006), with Section 4 removed and the loan amount changed to \$1.6 million, and authorized the Chairman to sign said agreement.

On motion of Director David Lamon, seconded by Director Kash Gill and carried by those present, the Board approved a loan agreement with the City of Yuba City (A08-007), with a loan amount of \$1.6 million, approval to make minor revisions to the agreement if needed, and authorized the Chairman to sign said agreement.

On motion of Director David Lamon, seconded by Director Kash Gill and carried by those present, the Board approved a funding agreement (A08-008) between the Agency and Levee District

No. 1, approval of minor revisions to the agreement if needed, and authorized the Chairman to sign said agreement in the form approved by Counsel.

6) **Report regarding Website Development**

Bill Edgar, Interim Executive Director, reviewed the staff report and explained that the Board directed Lincoln Crow to report back to the Agency regarding details of the website development and cost when the information became available. Mr. Edgar explained that Sutter County has agreed to host the Agency website on their computer system; and, pending additional research and analysis, cites a general cost ranging from \$2,500 to \$2,800 to have the website up and running. Staff recommends that the Agency accept Sutter County's offer and work to control the costs within the estimated range provided by the County.

Michael Picker, a representative from Lincoln Crow, said that the offer from Sutter County is very reasonable and is a good opportunity for the Agency. He gave a brief overview of the proposed website, and distributed a possible logo for the Agency.

On motion of Director Kash Gill, seconded by Director David Lamon and carried by those present, the Board accepted Sutter County's offer, and agreed to work to control the costs within the estimated range provided by the County.

Chairman John Miller moved Agenda Item #9 up to this part of the meeting.

9) **JPA Board Ad Hoc Committee Report**

Bill Edgar, Interim Executive Director, stated that the Board designated a committee, consisting of Chairman John Miller, Director Dan Silva (Larry Montna substituted), and Curt Josiassen, to review submittals from firms for possible selection of permanent counsel. Mr. Edgar explained that a screening process took place on February 13, 2008 and interviews were held on February 25, 2008. After due consideration, the Ad Hoc Committee is recommending that Downey Brand be retained for providing permanent attorney services to the Agency. Mr. Edgar stated that Downey Brand does represent other flood control agencies, including SAFCA and the Three Rivers Levee Improvement Authority. If approved, a Waiver of Potential Conflict of Interest should be included in the motion for both agencies.

On motion of Director Al Montna, seconded by Director Dan Silva and carried by those present, the Board approved retaining the law firm of Downey Brand to provide legal services to the Agency, authorized the Chairman to sign a contract (A08-009) with Downey Brand in the form

approved by Agency Counsel and Downey Brand; and authorized the Chairman to sign a Waiver of Potential Conflict of Interest with SAFCA and the Three Rivers Levee Improvement Authority.

7) **Workshop on Flood Insurance Requirements**

FEMA AND DWR MAPPING EFFORTS FOR THE SUTTER-BUTTE AREA

David Peterson, Peterson-Brustad Inc., addressed the Board and the ongoing FEMA & DWR mapping efforts in the Sutter-Butte area. Mr. Peterson gave an overview of the how FEMA's Flood Map Modernization effort aims to increase the quality, reliability, and availability of flood hazard maps and data by refining the standards utilized, and delivering flood maps in an industry-standard Geographic Information System format.

Mr. Peterson described how flood hazard conditions are dynamic, and explained how many existing NFIP maps do not reflect recent development and/or natural changes in the environment. The updated maps support a flood insurance program that is more closely aligned with actual risk, encourage wise community-based floodplain management, and improve citizens' flood hazard awareness. The updated maps also tie into changes in levee accreditations and/or deaccreditations.

Mr. Peterson expanded on how, in the Feather River System, the mapping efforts were led by the Department of Water Resources (DWR). DWR hired the USACE to perform analyses, which were accomplished using USACE methodologies. Since the resulting FIRM maps were not prepared using FEMA methodologies, FEMA recognized this effort as "approximate", resulting in "A" zones for Special Flood Hazard Areas. DWR has subsequently issued four separate contracts to perform Central Valley Map Update analyses using FEMA methodologies. These maps will supersede the USACE maps. Mr. Peterson described the anticipated timeline for the new maps. In closing, Mr. Peterson stated that floodplain mapping will be improved a number of times over the next 5 years and should never be thought of as final. Maps are "effective," not final.

FLOOD INSURANCE REQUIREMENTS FOR RESIDENTS OF THE SUTTER-BUTTE AREA

Daniel Peterson, Sutter County Deputy Director-Water Resources, addressed the Board and explained the effects the upcoming Flood Insurance Rate Maps changes will have on flood insurance in the Sutter-Butte area. Mr. Peterson gave an overview regarding how the FIRM maps are being revised for much of Sutter County south of Stewart Road and between the Sutter Bypass and the Feather River. Most of this area will be mapped into a Special Flood Hazard Areas (SFHA) effective December 2008. According to FEMA, re-mapping of Butte County will take place in 2009, with re-mapping of the northern portion of Sutter County (including Yuba City) anticipated in 2010.

Mr. Peterson described how being mapped into a SFHA will affect residents and businesses in the form of mandatory flood insurance and higher insurance rates. Mr. Peterson also covered the basic elements used to rate a flood insurance policy, the Pre-FIRM and Post-FIRM rate structures, and the three different risk levels used to set insurance rates. Mr. Peterson next explained the "Grandfathering" process, by which homeowners can reduce their flood insurance rates, and concluded by noting that as representatives of the Sutter-Butte Flood Control Agency or parties to the Agency, the public will be looking to us for information about changing FIRM maps and flood insurance impacts.

8) Placement of Issues for April 9, 2008 Meeting

Bill Edgar, Interim Executive Director, stated that the next meeting is scheduled at 1:30 p.m. on April 9, 2008 at the same location.

Possible future items for the next meeting agenda include:

- 1) approval of minutes
- 2) reconsideration of the agreement between the JPA and County regarding Star Bend
- 3) presentation of the Levee Evaluation Draft Report prepared by the State DWR
- 4) letter to the Corp of Engineers requesting additional funding for the USACE Feasibility Study

PUBLIC COMMENT

Elaine Miles, thanked the Agency Board for their efforts regarding the Calpine funds.

Darrin Gale, stated that the Yuba-Sutter Chamber of Commerce has created a Flood Task Force and would like to be helpful to the Agency in any way needed.

There were no further comments from those in the audience.

OTHER BUSINESS – BOARD OF DIRECTORS

With no further business coming before the Board, the meeting was adjourned at 3:20 p.m.

JOHN MILLER, CHAIRMAN

ATTEST:

By _____
Lisa Bush
Deputy Clerk of the Board of Supervisors
Sutter County

March 12, 2008
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SUTTER - BUTTE FLOOD CONTROL AGENCY

April 9, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Approval of Loan Agreement between the Agency and Sutter County

Recommendation

Approval of Loan Agreement between the Agency and Sutter County and authorize the Chairman to sign the Agreement

Background

At the last agency meeting, staff presented a loan agreement between the Agency and County in the amount of \$2.9 million dollars for the local cost share of the Star Bend Set Back Levee Project. The Board ultimately approved the loan agreement in the amount of \$1.6 million dollars. Subsequently, at its March 18th meeting the Sutter County Board of Supervisors approved to grant the Agency \$1.3 million dollars and loan the Agency \$1.6 million dollars.

The agreement attached reflects the Sutter County Board of Supervisors approved agreement. We believe this adequately reflects the intent of the Board of Directors; however, because the language of the motion at the last meeting did not include accepting the grant of \$1.3 million dollars. Therefore, we bring before you the modified agreement for approval.

Thank you.

FUNDING AGREEMENT

BOS 08-045

This Funding Agreement ("Agreement") is between the County of Sutter, a political subdivision of the State of California ("County") and the Sutter-Butte Flood Control Agency, a joint powers authority ("Agency") and is effective on the date last signed below. SAICA 08-006

RECITALS

- A. The Agency was formed by the Sutter-Butte Joint Exercise of Powers Agreement ("JPA Agreement") for the purpose of jointly exercising the powers of its members to provide flood control and protection within the boundaries of the Agency.
- B. Levee District No. 1, a member of the Agency, has applied to the California Department of Water Resources ("DWR") for approval of State funding for design and construction of a setback levee on the Lower Feather River at Star Bend (the "Project"), contingent upon payment of local share of cost for the Project by Levee District No. 1.
- C. The Agency is in need of funding to provide the required local share of funding for the Project.

THE PARTIES AGREE AS FOLLOWS:

1. **Loan of Funds by County.** The County agrees to lend to the Agency the sum of One Million Six Hundred Thousand Dollars (\$1,600,000) (the "Loan") to be used to fund the local cost share of the Project. Interest on the Loan shall be paid at the County pooled treasury rate.
2. **Grant of Funds by County.** The County agrees to grant to the Agency without a repayment requirement the sum of One Million Three Hundred Thousand (\$1,300,000) ("the Grant") to be used to fund the local cost share of the Project. The Grant shall be paid from the Calpine Levee and Flood Control Improvement Fund established pursuant to the Memorandum of Understanding between the County and Calpine Corporation entered into on March 30, 1999. The County Board of Supervisors finds that the Grant serves the public purpose of providing public health and safety by improving flood control.
3. **Disbursement of Funds.** The Loan and the Grant shall be collectively referred to as the "Funds." The Agency shall only disburse Funds in accordance with the Project as approved by DWR in the Lower Feather River Setback Levee at Star Bend project document, which shall be incorporated into this Agreement by reference and attached as Exhibit A upon approval by DWR. The Agency shall not disburse Funds for activities not included in the Project scope approved by DWR.
4. **Repayment of the Loan.** The County agrees that repayment of the Loan is contingent on the Agency receiving sufficient funds to repay the Loan through a benefit assessment, tax or other source of funding to the Agency. The Agency agrees to repay the Loan if and when the Agency has sufficient funds available. The Agency may make partial payments of

the Loan or pay the Loan in one lump sum. Loan payments shall be made payable to the County of Sutter and sent to:

County of Sutter
Attn: Director of Public Works
1130 Civic Center Blvd.
Yuba City, CA 95993

The Agency agrees that any repayment of the Loan will be proportional to repayment of any loan made to it by the City of Yuba City for the same purpose based upon the relative amounts of the respective loans.

- 5. **Dissolution of Agency.** If the Agency dissolves, the Agency shall no longer be responsible for repayment of the Loan but agrees to refund to the County any unused portion of the Loan, to the extent allowed by law and the JPA Agreement.
- 6. **Amendments.** This Agreement may be amended only in writing signed by both parties.
- 7. **Applicable Law.** The laws of the State of California shall be applied to interpret this Agreement. Any litigation arising under this Agreement shall be brought in the Superior Court of Sutter County.
- 8. **Entire Agreement.** This Agreement is the entire agreement between the parties regarding the Loan and supersedes any other prior oral or written agreement.

COUNTY OF SUTTER

SUTTER-BUTTE FLOOD
CONTROL AGENCY

By: *Larry Montna*
Larry Montna
Chairman

By: _____
John Miller
Chairman

Dated: 3/15/08

Dated: _____

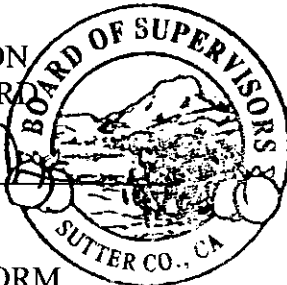
ATTEST:

APPROVED AS TO FORM

DONNA M. JOHNSTON
CLERK OF THE BOARD

By: *Janet Bender*
Janet Bender
Deputy County Counsel
Interim Counsel for Sutter-
Butte Flood Control Agency

By: *Lisa Bus*
Deputy



APPROVED AS TO FORM

By: *Ronald Erickson*
Ronald Erickson
Sutter County Counsel

SUTTER - BUTTE FLOOD CONTROL AGENCY

April 9, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Report on Agreements for Star Bend Set Back Levee

At the last meeting of the Board, staff presented agreements to the Board recommending approval regarding funding for the Star Bend Set Back Levee Project. Two of the Agreements are:

1. Loan Agreement between the Agency and Yuba City; and
2. Funding Agreement between Agency and Levee District No. 1

The first Agreement was approved by the Agency at the last meeting and nothing further is required. The City Council adopted the Agreement at its last meeting; however, erroneous language was mistakenly included. The Agreement will go back to the City Council for approval on April 14th and upon approval will be a fully executed Agreement. The second Agreement has been fully executed.

The final language in the second agreement was negotiated and finalized by the respective attorneys for the Agency and LD 1. It has now been signed by both parties pursuant to the direction of the respective governing bodies. A copy of the final signed agreement has been included here for your information.

Once this Board approves the Agreement between the County and Agency, and as soon as the funds are available to the Agency, the initial advance will be made to Levee District 1.

Thank You.

**Star Bend Setback Levee
Local Cost-Sharing Agreement**

This Star Bend Setback Levee Local Cost-Sharing Agreement ("Agreement") is between the Sutter-Butte Flood Control Agency, a joint powers authority ("Agency") and Levee District No. 1, a special district ("LD1") and is effective on the date last signed below.

RECITALS

- A. Pursuant to the Sutter-Butte Flood Control Agency Joint Exercise of Powers Agreement ("JPA"), the Agency has the power to construct and fund the construction of levees within the boundaries of a party to the JPA upon prior written agreement of the governing body of such party.
- B. LD1 is a party to the JPA.
- C. LD1 has applied to the California Department of Water Resources ("DWR") for approval of State funding for design and construction of a setback levee on the Lower Feather River at Star Bend (the "Project") subject to LD1 providing the local share of cost for the Project.
- D. The Project is within the jurisdictional boundaries of LD1.
- E. LD1 is close to executing the Early Implementation Project Funding Agreement (the "EIP Agreement") with DWR that will provide State funding for the Project, but LD1 is in need of the local cost share to continue the design and pre-construction of the Project. The EIP agreement is hereby incorporated by reference into this Agreement, and a copy of the EIP agreement shall be attached to this Agreement upon its execution.
- F. The Agency desires to provide funding for the local share of the eligible project costs approved by DWR, as defined in the EIP Agreement ("Eligible Project Costs").

Now, therefore, the Parties agree as follows:

1. **Funding of Local Share of Cost.** The Agency agrees to pay up to a maximum of Four Million Five Hundred Thousand Dollars (\$4,500,000) toward the Eligible Project Costs contingent upon distribution of funds from the City of Yuba City and County of Sutter. The first advance of funds is set forth in Section 2.B. Remaining funds shall be provided in accordance with section 2.C. contingent upon the execution of the EIP Agreement with LD1.

2. Advances.

A. The Agency may advance funds to LD1 upon written request from LD1 to the Executive Director of Agency for local share of Project expenses not to exceed the maximum amount of this Agreement.

B. The first advance of funds shall be made upon the execution of this Agreement by both parties in the amount of Nine Hundred Twenty Thousand Dollars (\$920,000).

C. Following the first distribution of funds to LD1, further requests for advance funds shall be made using the same documents and process as required by DWR in the EIP Agreement for requesting eligible state funds. These requests will generally be made each quarter. The request shall include an apportionment of the local share between LD1 and the Agency of Eligible Project Costs. In the event such information is not submitted on a timely basis, no further funds will be advanced until the information is provided.

D. The parties agree to exercise good faith and diligence in the resolution of any disputed advances or invoice amounts. Despite any dispute as to any item charged, Agency shall promptly pay all undisputed amounts requested by LD1 in any invoice. All invoices, notices, or other documents concerning this Agreement shall be served as follows:

If to the Agency:

Sutter Butte Flood Control Agency
Bill Edgar
Interim Executive Director
c/o County of Sutter
1160 Civic Center Blvd, Suite A
Yuba City, CA 95993

If to LD1:

Levee District 1
Bill Hampton
243 2nd Street
Yuba City, CA 95991

3. This funding shall only be used for the local cost share of Eligible Project Costs described in the Overall Work Plan, as it may be amended, of the EIP Agreement.

4. Costs or expenses incurred prior to the effective date of this Agreement shall not be eligible for reimbursement by the funds provided under this Agreement unless the costs

or expenses are Eligible Project Costs and DWR also agrees to reimburse the State share of those costs.

5. Term. The term of this Agreement shall be from its effective date until the completion of the Project pursuant to the EIP Agreement.

6. Derivative Proceeds. Any monies or proceeds obtained by LD1 from the monies advanced under this Agreement, including but not limited to interest earned on advanced monies deposited in an interest bearing account and monies received through the sale of land acquired with local cost share funds, shall be counted toward the local cost share based upon the local commitment in the EIP Agreement. Any such monies or proceeds obtained by LD1 after expiration of the term of this Agreement shall be returned to the Agency in proportion to the original contribution to Eligible Project Costs.

This provision shall survive termination of this Agreement.

7. Unused Funds. Any unused funds after completion of the Project shall reduce the local cost share based upon the local commitment in the Project documents. Such savings shall be returned to the Agency within 90 days after the filing of the notice of completion for the Project.

8. Indemnification. LD1 shall indemnify, defend, and hold harmless the Agency and its officers, directors, employees, and agents against all liabilities, claims, demands, damages, and costs (including attorneys' fees and litigation costs) that arise in any way from Agency's funding of the Project.

9. Audit. The following audit requirements apply from the effective date of this Agreement until five years after Agency's final payment:

A. LD1 shall allow Agency's authorized representatives' reasonable access during normal business hours to inspect, audit, and copy LD1's records as needed to evaluate and verify any invoices, payments, and claims that LD1 submits to Agency. "Records" includes, but is not limited to, correspondence, accounting records, sub-consultant files, change order files, and any other supporting evidence relevant to the invoices, payments, or claims.

B. Agency and LD1 shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency. Such examinations and audits shall be confined to matters connected with the performance of this Agreement including but not limited to administration costs.

This section shall survive the expiration or termination of this Agreement.

10. Applicable Law. The laws of the State of California shall be applied to interpret this Agreement. Any litigation arising under this Agreement shall be brought in the Superior Court of Sutter County.

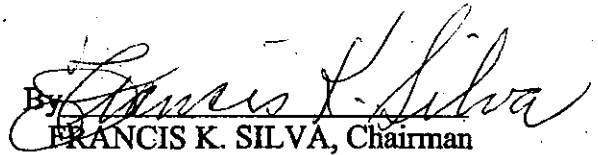
11. Amendments. This Agreement may be amended only in writing signed by both parties.

12. Entire Agreement. This Agreement is the entire agreement between the parties regarding the grant of funds to LD1 and supersedes any other prior oral or written agreement.

SUTTER-BUTTE FLOOD CONTROL AGENCY

LEVEE DISTRICT 1

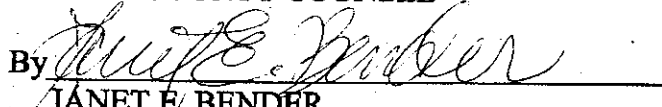
By _____
JOHN MILLER, Chairman

By 
FRANCIS K. SILVA, Chairman


DATE: _____

DATE: 3/27/08

APPROVED AS TO FORM
SUTTER COUNTY COUNSEL

By 
JANET E. BENDER
Deputy County Counsel
Interim Counsel for Sutter-Butte Flood
Control Agency

APPROVED AS TO FORM


JESSE W. BARTON
LD 1 Special Counsel

SUTTER - BUTTE FLOOD CONTROL AGENCY

April 9, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Discussion and possible action regarding the Contract with Downey Brand LLP.

At the last meeting, the Ad Hoc committee recommended Downey Brand LLP as General Counsel for the Agency. The Board approved the contract with Downey Brand subject to the approved form by current Counsel. In drafting the contract an issue has arose regarding an insurance term we feel should be discussed with the full Board before finalizing the Agreement.

Thank You.

SUTTER - BUTTE FLOOD CONTROL AGENCY

April 9, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Presentation by Lincoln Crow of various planned activities related to a proposed "Flood Awareness Month" that would be focused on providing public information and education prior to next year's flood season.

This time on your agenda has been set aside for a brief presentation regarding the planned activities for "Flood Awareness Month" that are currently being discussed by the Agency and some members of the Agency that would take place in October of this year. The primary focus of these activities would be on providing public information and education prior to next year's flood season.

At this point in time, these are only some of the preliminary ideas and concepts being discussed as well as some draft outlines of educational and informational material that are available. However, even though we are still in the early planning stages of these activities we wanted to make sure that the Board was fully informed and aware as to what is being planned.

Lincoln Crow will brief the Board of Directors regarding the status of these activities at the meeting. We hope to solicit suggestions and comments from the member agencies and to encourage their active participation as we begin to finalize the plans for October.

This is an informational item. No action is required.

Thank you.

SUTTER - BUTTE FLOOD CONTROL AGENCY

April 9, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Discussion and Board concurrence of the establishment of regular staff meetings to improve communication and coordination among the member agencies.

Now that the Sutter-Butte Flood Control Agency has been meeting for several months and many of the organizational and start-up issues have been addressed, several interested parties have suggested that we establish some structured and on-going staff meetings. The purpose of these meetings would be to maintain and enhance the coordinated participation among the member agencies of the JPA, and would involve the technical staffs as well as the administrative personnel of the member agencies.

After discussing this matter of structured meetings with several individuals, we are proposing that the following standard meetings be established to assist the Sutter-Butte Flood Control Agency in carrying out its mission to improve flood control for the Sutter basin:

1. **Technical Advisory Committee (TAC)** – This monthly meeting of the technical staffs of the member agencies who possess flood control involvement and knowledge would provide the opportunity for these individuals to meet and discuss technical issues and matters directly affecting the JPA and the member agencies. The JPA's engineer would be tasked to prepare the agenda for the meetings and preside over the meeting itself.
2. **Managers' Meeting** – This quarterly meeting of the County Administrators, the City Managers, and the District General Managers would provide the opportunity of the managers of the member agencies to discuss the broad ranging policy issues affecting the JPA and its member agencies. The JPA's Executive Director would prepare the agenda for this quarterly meeting and would be responsible for organizing the meeting.
3. **JPA Staff Meetings** – The staff of the JPA plans to meet bi-weekly for the purpose of planning and coordinating the on-going activities of the Agency. On occasion we will be asking that some of the staff of the member agencies attend these meetings for the purpose of discussing specific issues, programs, and/or projects.

If the Board concurs with this approach in order to improve communication and coordination among the member agencies and the JPA, we would suggest that we send out the attached letter (Exhibit A) to solicit assistance from the managers of the member agencies to implement the above suggestions.

Prior to formally requesting assistance from the managers of the member agencies by sending out the attached letter, we would appreciate the Board's considered input and feedback regarding this matter since it will involve time and therefore money of the participating agencies to implement the above proposal.

Aside from the Board's input and feedback regarding this proposal this is an informational report. There is no required action.

Thank you.

SUTTER-BUTTE FLOOD CONTROL AGENCY

April 09, 2008

XXXX
XXXX
XXXX

To: XXXX

In response to some interested parties of our member agencies and in response and in consideration of efforts to create and maintain active coordinated participation among the member agencies of the JPA, the need for a Technical Advisory Committee (TAC) to assist the Agency has been recognized and is proposed. At this time it is requested that each agency appoint a staff member, possessing flood control involvement and knowledge to this Committee. It is our intention to have the TAC meet at 10:30 A.M. on the 1st Wednesday of every month, beginning May 7, 2008 at the Sutter-Butte Flood Control Agency office at 1227 Bridge Street, Suite C in Yuba City. Please email the names of staff members designated to attend to Jaime Veglia at jveglia@co.sutter.ca.us or call her at 822-7100 prior to May 7th.

In addition, we are suggesting that quarterly meetings be held with the managers of the member agencies in order to discuss the broader policy issues related to flood control in order to keep the managers well informed so that they can properly advise their respective elected officials. We believe it is important for the Agency to adequately represent the needs of the member agencies and staying connected is essential to knowing the needs of the members. We propose these meetings be held at 10:30 A.M. on the 2nd Wednesday of the quarter, beginning June 11, 2008. Subsequent meeting dates will be September 10th and December 10th. The location of these meetings will begin at the Sutter-Butte Flood Control Agency office at 1227 Bridge Street, Suite C in Yuba City. The location of subsequent meetings will be determined by the group itself based upon the convenience of the attendees. Please let me know if these time frames are appropriate and whether or not they cause significant problems for you and/or your staff. If they do create a problem, please suggest other alternatives as to how best to make these meetings happen.

Finally, we have established regular staff meetings for the Agency. These staff meetings will occur every other week on Thursday starting April 17, 2008 at 10:30 A.M. at the Sutter-Butte Flood Control Agency office at 1227 Bridge Street, Suite C in Yuba City. On occasion we may

ask some of the staff of the member agencies to attend for the purpose of discussing specific issues, programs, and/or projects. Conversely, we would encourage anyone who has an issue to bring the matter to these meetings and/or attend if time permits.

If you have any questions, please do not hesitate to call Bill at (916) 392-4909 ext 2, or Jaime at 822-7100.

Sincerely,
William H. Edgar
Interim Executive Director

Jaime Veglia
Administrative Analyst
Sutter County

SUTTER - BUTTE FLOOD CONTROL AGENCY

April 9, 2008

TO: Board of Directors
FROM: William H. Edgar, Interim Executive Director
SUBJECT: Progress report on studies and evaluations

This time on your agenda has been set aside for a presentation regarding the status and progress of the following studies and evaluations:

1. Report Re: status of the "Draft" Department of Water Resources' Levee Evaluation Study for the Sutter Basin.
2. Further report Re: status and timetable for the various flood mapping studies for the Sutter Basin.
3. Progress report Re: re-start of the USACE Feasibility Study for the Sutter Basin.

David Petersen will provide the Board a brief status report focusing on the purpose of the studies, the schedules, and the cost for each study. Although this may be somewhat repetitive of the information that we have previously provided to the Board, we believe this update will provide the Board with the current information and background that they will need to begin the discussion later in the meeting regarding Board strategy and policy direction for the preparation of the SBFCA Budget for the 2008-09 Fiscal Year.

This is an informational report. No action is required.

Thank you.

SUTTER - BUTTE FLOOD CONTROL AGENCY

April 9, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Discussion of Board strategy and policy direction for the preparation of the SBFCA Budget for the 2008-09 Fiscal Year

Summary and Recommendations

We have attached two memoranda from Robin Bertagna, CPA, Chief Financial Officer and Treasurer for the Sutter-Butte Flood Control Agency in which she has provided the Board with the check register for the Agency through March 31, 2008, and the quarterly report for the third quarter of the 2007-08 Fiscal Year. We recommend that your Board receive and file these reports.

Our preliminary projections indicate that there should be significant carryover funds from the 2007-08 Fiscal Year because we have chosen to use existing staff rather than hire new employees. And, although both Sutter County and Yuba City will be charging their staff time for the time spent on Agency activities the total costs should be well below what has been approved in the 2007-08 Budget. We will have the completed estimated costs for the 2007-08 Fiscal Year for the May Board meeting as well as the proposed Agency Budget for the 2008-09 Fiscal Year.

We recommend that the Board adopt policy guidelines for the preparation of the Agency's 2008-09 Budget.

1. Staff is directed to conserve operating funds through the FY 2008-09 by limiting staff expenses to contract employees and the use of existing Sutter County and Yuba City staff as required.
2. Staff is directed to incorporate into the Proposed FY 2008-09 Budget the necessary costs to accelerate the required USACE Feasibility Study that would provide the information necessary to select several projects that would be common to all alternatives. This would enable the Board to discuss and consider the early implementation of these projects within the next Fiscal Year.
3. Staff is directed to include the cost of beginning the preparation of an Engineer's Report and the legal analysis that would be required to conduct a Proposition 218 election for the purpose of funding the operating cost of the Agency as well

as the design and construction cost of one or more of the defined early implementation projects to reduce the flood control risk for the Sutter Basin.

Background

At your January 9, 2008 meeting, your Board received and accepted the recommendations of the Agency's Chief Financial Officer regarding certain accounting policies and procedures. These policies and procedures have been in place since that time.

In addition, at your February 13, 2008 meeting, your Board was informed that Sutter County and Yuba City had acted to approve the advance of monies to the Flood Control Agency in order to fund its on-going costs of doing business. Based upon that information your Board adopted the Budget for the 2007-08 Fiscal Year.

The Chief Financial Officer has now provided the Board with two memoranda which transmit the check register for Agency expenses from inception through March 31, 2008, and the quarterly report for the third quarter of the 2007-08 Fiscal Year. It seems clear, at this point, that there will be significant savings and carryover funds that can be applied to the FY 2008-09 Budget. The staff has tried to conserve costs by limiting operating costs and using the existing Sutter County and Yuba City staff rather than hiring new staff. We are anticipating that the costs of accelerating the USACE Feasibility Study in order to identify some "early implementation" projects will be high and will be required during FY 2008-09. In addition, we believe that the Agency should budget for the preparation of an Engineer's Report and legal analysis that will be necessary if the Board wishes to conduct a 218 election in the spring of 2009.

Given all these constraints and funding requirements, we believe that the follow guidelines should govern the preparation of the 2008-09 Budget for the Agency:

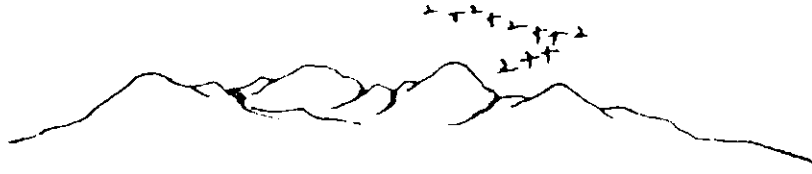
1. Conserve operating funds through the 2008-09 FY by limiting staff expenses to contract employees and the use of existing Sutter County and Yuba City staff as required.
2. Incorporate into the Proposed 2008-09 Budget the necessary costs to accelerate the required USACE Feasibility Study that would provide the information necessary to select several projects that would be common to all alternatives. This would enable the Board to discuss and consider the early implementation of these projects within the next Fiscal Year.
3. Include the cost of beginning the preparation of an Engineer's Report and the legal analysis that would be required to conduct a 218 election for the purpose of funding the operating cost of the Agency as well as the design and construction cost of one or more of the defined early implementation projects in the spring of 2009.

Recommendation

We recommend that the Board:

1. Receive and file the Treasurer's Check Register of the Agency through March 31, 2008.
2. Receive and file the Quarterly Financial Report for the third quarter of the 2007-08 Fiscal Year.
3. Approve the following policy guidelines for the preparation of the Proposed 2008-09 Agency Budget:
 - a. Staff is directed to conserve operating funds through the 2008-09 FY by limiting staff expenses to contract employees and the use of existing Sutter County and Yuba City staff as required.
 - b. Staff is directed to incorporate into the Proposed 2008-09 Budget the necessary costs to accelerate the required USACE Feasibility Study that would provide the information necessary to select several projects that would be common to all alternatives.
 - c. Staff is directed to include the cost of beginning the preparation of an Engineer's Report and the legal analysis that would be required to conduct a 218 election for the purpose of funding the operating cost of the Agency as well as the design and construction cost of one or more of the defined early implementation projects to reduce the flood control risk for the Sutter Basin.

Thank you.



Yuba City
Finance Department
Memorandum

Date: March 27, 2008

To: Board Members, Sutter-Butte Flood Control Agency
William Edgar, Interim Executive Director

From: Robin Bertagna, CPA, *MB*
Finance Director, City of Yuba City

Subject: Check Register

As the Treasurer of the Sutter-Butte Flood Control Agency, I will be providing the Board with a monthly Check Register of all amounts paid by the City of Yuba City on behalf of SBFCA. The first such Check Register is attached for your review. This check register covers inception of the Agency through March, 2008.

SUNGARD PENTAMATION, INC. - FUND ACCOUNTING
 DATE: 03/27/08
 TIME: 11:34:50

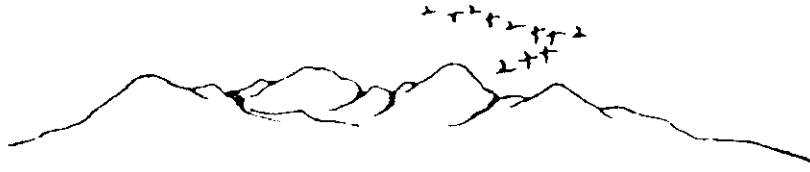
CITY OF YUBA CITY
 CHECK REGISTER - BY FUND

PAGE NUMBER: 1
 ACCTPA21

SELECTION CRITERIA: transact.fund="730"
 ACCOUNTING PERIOD: 9/08

FUND - 730 - FLOOD CONTROL AGENCY

CASH ACCT	CHECK NO	ISSUE DT	VENDOR	FUND/DEPT	ACCNT	DESCRIPTION	SALES TAX	AMOUNT
10100	147665	02/21/08	302514 EDGAR & ASSOCIATES	7350	62701	DP/CONSULTING 12-12	0.00	14418.52
10100	147665	02/21/08	302514 EDGAR & ASSOCIATES	7350	62701	DP/PROF SERVICES 12	0.00	4358.94
TOTAL CHECK							0.00	18777.46
10100	148196	03/13/08	302514 EDGAR & ASSOCIATES	7350	62701	DP/FEB 08 SERVICES	0.00	11281.28
10100	148233	03/13/08	302375 LINCOLN CROW	7350	62701	DP/FEB 08 SERVICES	0.00	7500.00
10100	148233	03/13/08	302375 LINCOLN CROW	7350	62701	DP/JAN 08 SERVICES	0.00	7500.00
TOTAL CHECK							0.00	15000.00
10100	148240	03/13/08	201493 MBK ENGINEERS, INC.	7350	62601	DP/COLOR REPRODUCTI	0.00	210.00
10100	148309	03/13/08	96963 Y-S ECONOMIC DEVELO	7350	63101	DP/MEM DUES MAR 08-	0.00	100.00
TOTAL CASH ACCOUNT							0.00	45368.74
TOTAL FUND							0.00	45368.74
TOTAL REPORT							0.00	45368.74



**Yuba City
Finance Department
*Memorandum***

Date: March 27, 2008

To: Board Members, Sutter-Butte Flood Control Agency
William Edgar, Interim Executive Director

From: Robin Bertagna, CPA, *RB*
Finance Director, City of Yuba City

Subject: Quarterly Financial Report, 3rd Quarter FY 2007-2008

As the Treasurer of the Sutter-Butte Flood Control Agency, I will be providing the Board with a Quarterly Financial Report. Attached is the first such report covering inception of the Agency through March, 2008.

The Budget column represents the budgeted revenue and expenditure amounts adopted by the Board for FY 2007-2008. The Actual column represents amounts received and expended through March, 2008. The Variance column is simply the Budget column less the Actual column.

Sutter-Butte Flood Control Agency
Quarterly Financial Report, 3rd Quarter 2007-2008

<u>Account Number</u>	<u>Description</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues				
43195	Federal Intergovernmental Funds			
43495	State Intergovernmental Funds			
43717	Local Intergovernmental Contributions	\$516,300	\$516,300	\$0
46110	Interest on Investments			
49010	Other Revenue			
	Total Revenues	<u>\$516,300</u>	<u>\$516,300</u>	<u>\$0</u>
Expenditures				
61210	Salaries-Regular			-
61211	Salaries-Sick Leave			-
61212	Salaries-Vacation			-
61217	Salaries-Admin. Payoff			-
61310	Wages-Extra Help			-
61430	Overtime-Regular			-
61501	Medicare			-
61502	Health Plan			-
61503	Retirement			-
61504	Workers Compensation			-
61505	Life Insurance			-
61506	Unemployment Insurance			-
61507	Vision Plan			-
	Sub-Total Wages & Benefits	<u>-</u>	<u>-</u>	<u>-</u>
62201	Telephone-Service	2,000		2,000
62210	Telephone-Cellular Phone			-
62250	Telephone-Internet			-
62301	Postage & Freight			-
62401	Advertising			-
62501	Office Supplies	2,000		2,000
62507	Computer Forms & Supplies			-
62508	Photocopy Machine			-
62601	Printing & Binding		210	(210)
62701	Professional Services	343,000	45,059	297,941
62713	Annual Audit			-
62801	Travel & Meeting	2,500		2,500
63101	Dues & Subscriptions	2,000	100	1,900
63301	O&M-Office Equipment			-
63320	O&M-Computer Equipment	2,000		2,000
63801	Tools, Supplies & Equip. < \$5,000			-
63901	Training Program/Aids			-
64310	Liability Insurance	1,500		1,500
65801	Computer Maintenance			-
66001	Other Materials & Supplies	2,000		2,000
	Sub-Total Materials, Supplies & Services	<u>357,000</u>	<u>45,369</u>	<u>311,631</u>
69201	Equipment	5,000		
	Sub-Total Capital Outlay	<u>5,000</u>	<u>-</u>	<u>-</u>
	Total Operational Expenditures	<u>362,000</u>	<u>45,369</u>	<u>311,631</u>
	15% Operational Contingency	54,300	-	54,300
	Local Share of Feasibility Study	<u>100,000</u>	<u>-</u>	<u>100,000</u>
	Net Revenues Over <Under> Expenditures	<u>-</u>	<u>470,931</u>	<u>470,931</u>

SUTTER - BUTTE FLOOD CONTROL AGENCY

April 9, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Discussion of Issues for Placement on the Agenda for the Next Regular Meeting on May 14, 2008.

There are several issues that, during the course of this meeting, the Board may want brought back to the Board at the next meeting. Additionally, there may be other items the Board may feel are pertinent to be included on the next agenda, and should be discussed at this time.

Thank You