



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

Board of Directors

Agenda Summary

October 12, 2011

1:00 PM Regular Meeting

Meeting Location:

**City of Yuba City Council Chambers
1201 Civic Center Boulevard, Yuba City, CA**

The agenda is posted in the building of the Sutter Butte Flood Control Agency at 1227 Bridge Street Suite C, Yuba City, 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 website at 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 admin@sutterbutteflood.org. Requests must be made one full business day before the start of the meeting.

County of Sutter

1. Larry Montna
 2. James Gallagher
- Alts. Larry Munger, Stan Cleveland

City of Yuba City

1. John Miller
 2. John Dukes
- Alts. John Buckland, Tej Maan

City of Live Oak

1. Gary Baland

Levee District 1

1. Francis Silva
 2. Al Montna
- Alt. Barbara LeVake

County of Butte

1. Bill Connelly
2. Steve Lambert

City of Gridley

1. Owen Stiles
- Alt. Jerry Anne Fichter

City of Biggs

1. Mike Bottorff
- Alt. Bo Sheppard

Levee District 9

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.

1:00 PM REGULAR MEETING/CALL TO ORDER

Roll Call

Pledge of Allegiance

CONSENT CALENDAR

The Consent Calendar groups together those items which are considered noncontroversial 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 September 14, 2011

PRESENTATION, DISCUSSION & ACTION ITEMS

- 2) Receive and file August financial report
- 3) Approval of initiative to create new FEMA zone for agriculture
- 4) Approval of a policy on unpaid direct bill assessments
- 5) 30 percent design presentation update
- 6) Reorganization of the design and support teams for the Early Implementation Project (EIP) Phase I project and work breakdown for the state and federal planning efforts
- 7) Presentation regarding the NFIP Reauthorization & Mandatory Flood Insurance for Residual Risk Areas

INFORMATIONAL AND POSSIBLE APPROVAL ITEMS

- 8) Other reports from Agency staff and consultants regarding current Sutter Butte Flood Control Agency activities
 - a. Presentation from Chris Krivanec about slurry wall construction
- 9) Report (if necessary) by the Citizens' Assessment District Advisory Committee (CADAC)
- 10) Report (if necessary) by Levee District No. 1 regarding setback levee project at Star Bend (an early implementation project)
- 11) Report (if necessary) by the USACE Project Manager regarding current status of the Feasibility Study for the Sutter Basin
- 12) Report (if necessary) by the DWR Senior Project Manager regarding current DWR activities

CORRESPONDENCE

- 13) 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

October 12, 2011

TO: Board of Directors

FROM: William H. Edgar, Executive Director

SUBJECT: Approval of the Minutes for the Regular Board Meeting September 14, 2011

We have attached the proposed minutes for the Board of Director's Regular meeting of September 14, 2011 for your review, modification, and/or approval.

Recommendation

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

Thank you.

**MINUTES OF THE BOARD OF DIRECTORS OF THE
SUTTER BUTTE FLOOD CONTROL AGENCY
REGULAR MEETING OF
September 14, 2011**

The Sutter Butte Flood Control Agency (Agency) Board of Directors (Board), State of California, met on the above date in Regular Session at 1:00 p.m. in the Superintendent of Schools, Training Center, 1699 Sierra Avenue, Yuba City, California.

MEMBERS PRESENT

County of Sutter:	Larry Montna, James Gallagher
County of Butte:	Steve Lambert, Bill Connelly
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 LeVake
Levee District 9:	David Lamon

MEMBERS ABSENT: Directors David Schmidl, Al Montna

STAFF PRESENT: Bill Edgar, Executive Director; Mike Inamine, Director of Engineering, Agency Counsel Scott Shapiro, Agency Engineer; and Sarah Modeste, Staff Analyst

REGULAR SESSION

Chair Steve Lambert opened the meeting at 1:10 p.m. and led the Board and audience in the pledge. Director Lambert introduced the Agency's Director of Engineering Mike Inamine.

CONSENT CALENDAR

On motion of Director Gary Baland, 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 August 10, 2011 with the correction of minor typos as requested by Director Barbara LeVake.**

PRESENTATION, DISCUSSION AND ACTION ITEMS

- 2) **Receive and file July financial report**

Executive Director Bill Edgar reported that the Agency's record of funds balances with City of Yuba City's records. Mr. Edgar explained that the design agreement was approved by the State of California Department of Water Resources and the Agency is hopeful that the cost-share agreement will be finalized soon. The first State cost-share payment will likely arrive by the end of the calendar year, but the Agency may have to utilize the City of Yuba City's line of credit in the meantime.

Mr. Edgar noted that with the Board's approval, the Agency would undergo an audit of its financial records in early November. The audit will take approximately four days and will not exceed \$12,500.

No public comment.

A motion was made by Director Owen Stiles to approve the Agency's selection of Moss, Levy & Hartzheim, LLP to perform the required external audit for SBFCA. This is the same firm that performs the external audit for the City of Yuba City who serves as the accounting staff and treasurer for the Agency. The motion was seconded by Director John Dukes and was carried by those present.

Director James Gallagher arrived at the meeting at 1:20 p.m.

- 3) **Approval of David Ford Consulting Engineers Task Order 1 for emergency planning grant application support.**

Mr. Edgar presented Task Order 1 for David Ford Consulting Engineers for the preparation for the emergency planning grant application. David Ford Consulting Engineers has requested \$15,000 for their

grant preparation work. Should the application be accepted, the grant preparation work would be included in the grant. Mr. Shapiro added that the emergency plan is required for the project.

Director James Gallagher requested that the final plan be a compilation of the member agencies' emergency plans where possible to minimize costs. Dave Peterson stated that should the grant be awarded, David Ford will coordinate with surrounding emergency operations personnel.

Director Barbara LeVake asked if SBFCA should partner with other agencies outside SBFCA. Mr. Shapiro responded that each basin will likely submit their own. Director LeVake asked for clarification on the amount of funding that will be provided to David Ford. Mr. Peterson responded that at the August 2011 Board meeting, the Board approved a contract of up to \$300,000, but Task Order 1 only allows David Ford to use \$15,000 of that amount.

No public comment.

A motion was made by Director James Gallagher to approve Task Order 1 with David Ford Consulting Engineers. The motion was seconded by Director John Miller and was carried by those present.

4) Approval of resolution to authorize the levy of assessments for 2011-12

Mr. Edgar explained that this resolution is necessary to authorize Sutter and Butte Counties to levy assessments on the Agency's behalf for the 2011-12 fiscal year.

Mr. Edgar noted that the majority of assessments were billed by Sutter and Butte Counties, but some were billed directly by the Agency. One that was billed directly by the Agency was the State Department of Fish & Game (DFG). DFG's property has been assessed as public property, but once reviewed it was determined that it should be assessed as agricultural. Agency staff is working with DFG staff. Should the Department of Fish & Game's property be billed as agriculture land instead of public property, it would reduce the bill by nearly \$100,000.

Assessment Engineer Bob Cermak stated that in the 2011-12 fiscal year approximately \$410,000 will be assessed from Butte County property owners and \$6,037,000 from Sutter County property owners. And, SBFCA will directly bill approximately \$202,000.

The Agency has collected 95.6% of assessment payments received. Mr. Edgar asked how the collection rate compared to surrounding communities. Mr. Cermak responded that the collection rate was very high, especially given the economic climate. Mr. Shapiro added that the counties collect payments on behalf of the Agency, and staff is working to develop a strategy to collect those not paid through direct bills.

Director John Dukes asked how new development would be charged, and for information on the process the Agency follows for change in the use of property. Mr. Cermak responded that the change in property use is always reflected in the following year's assessment roll and is reviewed annually.

Director Mike Bottorff asked if the assessments would be increased to cover funds not collected. Mr. Cermak responded that that would not happen. Under the adoption of the Engineer's Report by the SBFCA Board, it was determined that the rates will not be raised to cover uncollected funds. Rates could only be increased through a new Proposition 218 process.

Director Gary Baland thanked Mr. Edgar for sending the emails to the consultants requesting that the Agency's consultants be wise stewards of the public funds and to minimize costs where possible.

Sutter County resident Elaine Miles provided public comment regarding the "other services" clause and stated that assessment funds should only be used for levee design and construction.

Director Larry Montna asked for clarification on Ms. Miles' comments. Mr. Edgar responded that funds are used for levee design and construction, as well as administrative costs required to operate the Agency. He stated that agenda item six of the September 2011 Board agenda is an item for Board's discussion to determine what is a legitimate cost in order to complete the mission. Mr. Montna responded that he does not have a problem with the Agency's mission, but asked for clarification regarding what area FEMA could map into the floodplain. Mr. Edgar responded that FEMA could map in areas which are both in and out of the SBFCA boundaries.

Mr. Shapiro recommended that restrictions are not outlined in the resolution to levy assessments, but limiting expenses is best completed through the budgeting and task order process.

Director James Gallagher stated that there will be several items that arise during this process that are part of the Agency's mission that is not specifically construction. Director Gallagher provided several examples from his experience on the SAFCA Board of Directors. He recommended not restricting the resolution.

Director Barbara LeVake stated that she completely agreed with Agency Counsel as well as Director Gallagher and wished to make a motion on the assessment resolution.

A motion was made by Director Barbara LeVake to adopt the resolution authorizing the levy of assessments for 2011-12. The motion was seconded by Director Owen Stiles and was carried by those present.

5) Proposed right-of-way approach for the EIP project

Mr. Edgar stated that over the next year, the Agency will evolve from a start-up agency to a construction agency. The right-of-way, permitting, and encroachment/penetration issues will become more important as the Agency reaches construction.

Mr. Edgar stated that DWR previously requested 10 feet of right-of-way and are now requesting an additional 10 feet, as well as additionally 50 feet for future use. Mr. Edgar stated that the cost of purchasing this land would be detrimental to the Agency's work. Dave Peterson stated that complying with the DWR request of the additional 60 feet of right-of-way could add \$50-\$100 million to the project costs. Mr. Peterson outlined the urban levee design criteria requirements.

Director Gary Baland asked which entity owns the water-side land of the levee. Mr. Shapiro responded that property ownership varies throughout the system.

Mr. Shapiro reviewed the issues affecting SBFCA as well as SBFCA's alternative right-of-way proposal under discussion with DWR. Director John Miller asked for clarification where funds would be obtained to purchase the future right-of-way. Mr. Shapiro responded that it would be a maintenance and operations issue. He acknowledged that a funding mechanism is not in place. Director Baland asked who would maintain the additional right-of-way long term. Mr. Shapiro stated that a clear answer is not available at this time. He added that with previous projects, once the land is purchased it is typically turned over to the State or a local maintaining agency. Mr. Edgar added that SBFCA is a planning and construction agency, not a maintenance agency.

Director Barbara LeVake added that LD1 has picked up where the State had not properly maintained its land. She said that she would have concerns about turning over land for maintenance. She asked for clarification on who is negotiating with DWR. Mr. Edgar stated that he, Scott Shapiro, Les Harder and Dave Peterson have been meeting with DWR on this issue, but added that Les Harder with DWR would likely lead the final negotiations.

Director John Dukes asked how the Agency will address the properties along Second Street in Yuba City. Mr. Shapiro responded that his experience has been that where home are already in place, standard right-of-way would be required, and potentially out buildings would need to be reviewed. Mr. Inamine added that access and visibility requirements would need to be met.

Director James Gallagher asked if the Agency could obtain 20 feet through an agriculture easement instead of purchasing in fee. Mr. Shapiro responded that staff is happy to review that, but based on his experience in Yuba County once the required amount is taken, 90 percent of the value is lost. Director Gallagher asked for clarification on visibility in developed areas. Mr. Shapiro responded that land may not be purchased in those cases, but instead the Agency would work with property owners to achieve the clearance and visibility requirements.

No public comment.

A motion was made by Director John Dukes to approve the proposed right-of-way approach for the EIP project. The motion was seconded by Director James Gallagher and was carried by those present.

6) Approval of initiative to create new FEMA zone for agriculture

Mr. Edgar stated that those living in South Sutter County are paying large assessments and currently mapped into the FEMA flood zone. Mr. Edgar explained that because 100-year protection is likely 10-15 years away for that area, it is important to pursue non-structural solutions. This item would provide a way to help those property owners gain relief until 100-year protection is complete. At this time, the economic generators in the south county are unable to make changes to their properties. Mr. Shapiro provided an overview of his proposed work, as well as work to date.

Director Mike Bottorff asked if additional funds were needed at this time. Mr. Shapiro responded that at this time, Downey Brand's contract would not need to be amended. Should additional funding be required, Downey Brand's contract would come back before the Board. Mr. Shapiro added that the funds would be nearly entirely spent on staff time. Director Larry Montna asked which agencies would also be funding this effort. Mr. Shapiro responded that Yuba County Water Agency had already stepped up. Director Montna responded that he sees value in this, but does not believe that SBFCA should be footing the entire bill.

Director Dave Lamon asked for clarification that Downey Brand was not asking for additional funds, but instead an expansion of Downey Brand's current tasks. Director James Gallagher stated that he sees value in this work because many property owners have already been mapped into the floodplain and are also paying the assessment.

Director John Dukes asked if this would affect everyone south of Yuba City, or others. Mr. Shapiro responded that it would help agricultural operations that have been mapped into the flood zone. It would not have an impact on urban communities.

Director Gary Baland stated that he is fundamentally opposed to the idea. He stated that he sees the Board's task as one that is to design and repair levees.

Director Barbara LeVake stated that she supports the work, and listed agricultural businesses that could be impacted such as Sierra Gold Nursing, Sacramento Packing, and Taylor Brothers. She stated that agriculture is a tax base generator and an important component to the region's economy.

Director Gary Baland requested to see a funding partnership among others benefiting from this work. Director John Miller asked if this coalition would be taken throughout the state and nationally. Mr. Shapiro responded that it would.

Director Bill Connelly moved to table this until the October, 2011 Board meeting. Director Owen Stiles seconded the motion.

Sutter County resident Pat Miller of the Sutter County Taxpayers Association read a letter to the Board on SCTA's position against using assessment funds for this work, but acknowledged that it would be helpful to agricultural property owners.

Director James Gallagher stated that many actions that protect constituents could require legislative actions. He stated that he sees this as a basin-wide strategy to protect citizens and property.

Ray Rogers, Chair of the CADAC, provided public comment. He stated that he understands both sides of the discussion, but urged the Board to consider the Agency's mandate to repair the levees. He suggested that while important, the Board should reach out to other groups that could fund this coalition building.

Sutter County resident Elaine Miles provided public comment that while she supports the initiative, she does not support spending public funds.

Director Barbara LeVake stated that she sees the concern that the funding would come from Agency, but agrees with the policy. She asked if two months was too long to wait to revisit the topic as she did not want to lose an opportunity for the work. Mr. Shapiro stated that the NFIP is set to expire at the end of September and added that conventional wisdom is that Congress will do a six month reauthorization.

Director Larry Montna asked if FEMA is responding and retrenching because of the East Coast natural disasters. Mr. Shapiro responded that this is a Congressional effort.

The Board voted, as follows, to table the item until the October 12, 2011 regular Board meeting:

**Larry Montna N
James Gallagher N
Bill Connelly Y
Steve Lambert Y
John Miller Y
John Dukes Y
Owen Stiles Y
Gary Baland Y
Mike Bottorff Y
Francis Silva Y
Barbara LeVake Y
David Lamon Y**

Item was tabled until the October 2011 Board meeting.

INFORMATIONAL AND POSSIBLE APPROVAL ITEMS

7) Other reports from Agency staff and consultants regarding current Sutter Butte Flood Control Agency activities

Kim Floyd stated that Agency staff would be presenting a 30 percent update presentation to member agencies throughout September. In early November, the Agency will be holding public meetings in Yuba City and Gridley about the 30 and 60 percent design activities. Design project manager Chris Krivanec updated the Board on recent design team activities, including a two-day meeting with the U.S. Army Corps of Engineers, DWR, SBFCA's design team, and the board of senior engineers. He stated that the 60 percent design work is underway.

8) Report (if necessary) by the Citizens' Assessment District Advisory Committee (CADAC)

Nothing to report at this time.

9) Report (if necessary) by Levee District No. 1 regarding setback levee project at Star Bend (an early implementation project)

Nothing to report at this time.

10) Report (if necessary) by the USACE Project Manager regarding current status of the Feasibility Study for the Sutter Basin.

Nothing to report at this time.

11) Report (if necessary) by the DWR Senior Project Manager regarding current DWR activities.

Nothing to report at this time.

CORRESPONDENCE

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

No correspondence at this time.

PUBLIC COMMENT

No public comment at this time.

ADJOURNMENT

With no further business coming before the Board, the meeting was adjourned at 3:25 p.m.

STEVE LAMBERT, CHAIR

ATTEST BY: _____

SARAH MODESTE, STAFF ANALYST



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

October 12, 2011

TO: Board of Directors

FROM: William H. Edgar, Executive Director

SUBJECT: Receive and File August Financial Report.

We have attached the August monthly financial report for the 2010-2011 fiscal year. This is an informational item.

Recommendation

We recommend that your Board receive and file this item.

Thank you.



**Yuba City
Finance Department
Memorandum**

Date: October 12, 2011

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

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

Subject: Monthly Financial Report: August, 2011

Attached is the Monthly Financial Report for the Sutter Butte Flood Control Agency for the month of August of fiscal year 2011-2012.

The Monthly Financial Report for FY 11/12 includes the following information prepared by SBFCA:

- **Total working capital reconciliation:** A preliminary reconciliation of the total working capital as of year-end fiscal year 2010-2011 as compared to the fiscal year 2010-11 SBFCA Budget approved on June 8, 2011. This statement also shows the cumulative expenditures paid to date versus the expenditures invoiced to date. Two things of importance to note; 1) This reconciliation does include all of the accrued expenses for fiscal year 2010-2011 as the accrual period closed on August 31, 2011. However, until the audit is complete, some additional transactions may take place. 2) The difference between invoiced expenditures and paid expenditures for fiscal year 2010-11 is approximately \$323,000 consisting primarily of Engineering Design Expenditures. The preliminary working capital balance based on paid expenditures is used as the starting balance for the working capital reconciliation for July fiscal year 2011-2012.

A reconciliation of total working capital as of July for fiscal year 2011-2012 as compared to the SBFCA Fiscal Year 2011-2012 Budget is also shown. The statement shows the cumulative expenditures paid to date for the fiscal year versus the expenditures invoiced to date. The Total Preliminary Working Capital for the Agency as of August 31, 2011 is approximately \$4,566,000. The difference between invoiced expenditures and paid expenditures for fiscal year 2011-12 is approximately \$634,000.

The total difference between invoiced versus paid expenditures to date for both fiscal years is approximately \$957,000. Taking this into consideration Working Capital for the Agency as of August 31, 2011 is approximately \$3,610,000. (Exhibit A)

SBFCA Monthly Financial Report: August, 2011
October 12, 2011

- Summary statement of cumulative activities for fiscal year 2011-12 through August 31, 2011: This statement shows the expenditures by fund and by the major expenditure category – Operations & Capital (USACE Study, EIP, and the Star Bend Payment). This statement also shows the amounts received and expended to date, as compared to the approved SBFCA Budget for the 2011-12 Fiscal Year. This statement has been reconciled by SBFCA staff to the City of Yuba City's financial system (**Exhibit B**).
- Summary of the Operating and Capital Contract/Task Orders: Shows amounts paid to date for contracts with activity in fiscal year 2011-12: This summary provides a comparison to the current contract/task order authority amounts (**Exhibit C**).
- Latest summary cash flow for fiscal year 2010-11 (reflecting accrued expenses to date) and projected fiscal year 2011-12 prepared by SBFCA (**Exhibit D**).

Additionally, check registers reflecting all checks issued on behalf of the Agency from July 1, 2011 to August 31, 2011 for fiscal year 11-12 are included.

This item is informational only, no action is required. Please review and file.

Thank you.