

**MINUTES OF THE BOARD OF DIRECTORS OF THE
SUTTER BUTTE FLOOD CONTROL AGENCY
REGULAR MEETING OF
JANUARY 14, 2015**

The Sutter Butte Flood Control Agency (Agency) Board of Directors (Board), State of California, met on the above date at 1 p.m. in the City of Yuba City Council Chambers, Yuba City, California.

MEMBERS PRESENT

County of Sutter:	Jim Whitaker, Larry Munger
County of Butte:	Bill Connelly
City of Yuba City:	Kash Gill, John Dukes
City of Gridley:	Frank Hall
City of Live Oak:	Gary Baland
City of Biggs:	Bo Sheppard
Levee District 9:	David Lamon
Levee District 1:	Francis Silva, Barbara LeVake

MEMBERS ABSENT: Chris Schmidl, Steve Lambert

STAFF PRESENT: Mike Inamine, Executive Director; Michael Bessette, Director of Engineering; Andrea Clark, Agency Counsel; Seth Wurzel, Budget Manager

MEETING/CALL TO ORDER

Board Vice Chair Kash Gill opened the meeting at 1 p.m. and led the group in the pledge.

CLOSED SESSION

1) Conference with real property negotiators pursuant to Govt. Code section 54956.8

Agency negotiator(s): McElhern/O'Regan

Properties and negotiating parties:

- **James Banes Ranch, Inc. (APNs 025-050-004; 025-150-007, 008, 026, 029, 030, 035)**
- **David Deane Williams, Trustee of the Deane and Edith Williams Testamentary Trust (APNs 025-290-021, 022, 025)**
- **Joseph J. Mariani Corporation; Louis J. Mariani Corporation; Jack Mariani, Lukra Mariani and Paul A. Mariani Jr., as Trustees for the Joseph Mariani Trust; Jack Mariani, Lukra Mariani and Paul A. Mariani Jr., as Trustees for the Louis Mariani Trust (APNs 025-180-016, 017, 024, 025, 026 & 027)**

2) Conference with legal counsel – anticipated litigation – Govt. code 54956.9(d)(2) – 2 cases

Nothing to report.

OPEN SESSION

1) Recognition of board member departures

Vice Chair Kash Gill recognized previous SBFCA Board members for their time and contributions. Those recognized included: Al Montna, Stan Cleveland, and James Gallagher. Executive Director Mike Inamine stated that staff would also like to thank them for their leadership.

Director Gill welcomed new SBFCA Board members Larry Munger and Jim Whiteaker from Sutter County and Frank Hall from the City of Gridley.

Director Gary Baland thanked his alternate, Ray Rogers, for his support and effort on behalf of the City of Live Oak.

2) Election of 2015 Chair and Vice Chair

Director John Dukes nominated Director Kash Gill as the Chair of the 2015 SBFCA Board of Directors. Director Gary Baland seconded the motion and all approved.

Chair Kash Gill nominated Director Larry Munger as the Vice Chair of the 201 Board of Directors. Director Jim Whiteaker seconded the nomination and all approved.

CONSENT CALENDAR

3) Approval of the minutes for the December 10, 2014 Board Meeting

4) Approve an Addendum to the Agency's 5-Year Capital Budget to incorporate the Laurel Cypress Flood System Repair Project (LC FSRP) and authorize the Executive Director to approve associated task orders and amendments to professional services agreements for the design, permitting and right of way support for the project

5) Resolution to approve SBFCA Area/Basin plan

On motion of Director Bo Sheppard, and seconded by Director John Dukes, the consent calendar was approved as follows:

- Bo Sheppard – Yes
- John Dukes – Yes
- David Lamon – Yes
- Francis Silva – Yes
- Barbara LeVake – Yes
- Jim Whitaker – Yes
- Larry Munger – Yes
- Frank Hall – Yes
- Bill Connelly – Yes
- Gary Baland – Yes

PRESENTATION, DISCUSSION & ACTION ITEMS

6) Receive and file monthly financial report

Budget Manager Seth Wurzel presented the November monthly financial report. As of November 30, 2014, SBFCA had working capital of approximately \$15.3 million and the estimated amount to date is \$20.5 million, which has not been reconciled with the City of Yuba City.

Direct bill assessment payments totaling approximately \$63,000 have been deposited to date. To date, approximately \$35.3 million has been received or invoiced for capital revenue. The fiscal year 2014-15 expenditures to date total approximately \$61 million, of which nearly all is for the FRWLP1.

The 2013 assessment revenue bond proceeds have been drawn as of October 2014. The line of credit with Rabobank capacity remains at approximately \$10.2 million.

SBFCA staff continues to process reimbursements from the State of California as it awaits the executed funding agreement.

Director Dukes asked if the remaining \$10 million from Rabobank will be used to fund construction activities and how much SBFCA pays in interest each year. Mr. Wurzel stated that it was dependent on State funding. To date, SBFCA has paid approximately \$120,000 annually in interest payments to Rabobank. Director Dukes asked if the State fulfills its portion of the funding agreement would the Rabobank balance still be used. Mr. Wurzel stated it could be used to help manage cash flow.

No action required.

7) Discussion of State of California funding letter of commitment

Executive Director Mike Inamine stated that the Finance Committee has reviewed this very complicated issue, but given its importance, staff thought it necessary to bring the information before the entire Board and the public. Mr. Inamine stated that DWR sent a letter on December 22, 2014 committing \$44 million to advance construction, which is contingent on the release of the grant guidelines. DWR has limited where the \$44 million can be used, based on an old agreement. The funds will allow SBFCA to advance construction, but it is contingent on the grant guidelines, which were supposed to be released the first week of January, but at the time of the Board meeting had not been released.

In advance of the December DWR letter, SBFCA provided DWR a request for funding. In the request, SBFCA requested \$47 million which is a retirement of the \$44 million estimate, which leaves a balance of \$38 million needed to complete the FRWLP.

Director John Dukes stated that all of the commitment letter discussions were based on the UFRR guidelines, which DWR was supposed to release last year, and then it was based on the State budget which has now been released. What is DWR now saying is the delay in releasing the guidelines? Mr. Inamine stated that it is SBFCA's understanding that the guidelines are now finished and awaiting the DWR director's signature; DWR staff has completed their review. Mr. Inamine added that the executive directors of the urban flood control

agencies have met and discussed their funding needs and all agree that there is enough funding for all projects.

Director Frank Hall asked how far north of Biggs would the construction activities take place. Mr. Inamine responded that the construction work would be completed to Thermalito Afterbay, which is another approximately four miles.

No action required.

INFORMATIONAL AND POSSIBLE APPROVAL ITEMS

8) Program/Project Update

Director of Engineering Michael Bessette provided an overview of 2014 highlights and a preview of 2015 activities. Some of the 2014 highlights included: requiring permits and right-of-way to begin construction of Projects B & D; completed plans and estimates for construction of Projects B & D, advertised, bid and awarded a construction contract; reinitiated construction in Project Area C; encountered and cleared numerous cultural sites to minimize impacts to construction operations and overall schedule; began and completed 17.5 miles of slurry wall and associated earthwork; completed the Corps Feasibility Study Chief's report and received Congressional Authorization in WRRDA 2014; completed a Draft Feather River Regional Flood Management Plan; awarded Prop 13 Grant for the design and permitting of the Oroville Wildlife Area and Gridley Bridge Erosion Repair Projects, among other activities.

In 2015, SBFCA will continue to work to amend the existing construction funding agreement and fully fund the Feather River West Levee Project; resolve Native American cultural issues and mitigation; closeout Project Area C and continue construction in Project Areas B & D; acquire permit approvals and right-of-way for construction of numerous gap projects; acquire federal appropriations to begin design and construction related to the Feasibility Study, among other activities.

Director Gary Baland asked if the OWA work would interfere with the current construction activities. Mr. Bessette responded that it would not.

Mr. Inamine stated that a Native American Heritage Commission meeting would be taking place on January 16, 2015, and the Feather River West Levee Project is on their agenda for closed session. The item is in regard to potential litigation against SBFCA with respect to the Native American artifacts uncovered during construction activities. Mr. Inamine stated that he would update the Board with any information as it becomes available.

Mr. Inamine added that he was recently alerted of a meeting and a newspaper announcement about a presentation being given to the Sutter County Historical Society about the Live Oak levee and the related archeology associated with a stage coach line uncovered during construction. He added that SBFCA is very respectful of the cultural artifacts, which is why the discussion will not be about the Native American artifacts.

SBFCA finalized and submitted comments to the US Fish & Wildlife Service regarding the Western Yellow-Billed Cuckoo. SBFCA coordinated comments with the California Farm Bureau, Yuba-Sutter Farm Bureau, several reclamation districts, Sutter County, Butte County and the California Department of Water Resources.

Additional details are provided in the December Board Packet, which can be downloaded [here](#).

9) Other reports from Agency staff and consultants

Nothing to report.

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

Sandy Watson, CADAC member, stated that during the CADAC's January 7 meeting, 2015 officers were elected. Sandi Fredrickson was elected Chair and she and Elaine Miles were elected Co-Vice Chairs.

Chair Gill congratulated the newly elected officers.

11) Report (if necessary) by member and partner agencies

Director Baland requested that a media release be submitted announcing the dates in which SBFCA will be presenting at the various member agency's council/board meetings. Mr. Inamine stated that SBFCA staff would be visiting each of the member agencies and will provide an update to the elected officials over the next few months. Mr. Inamine stated that a media release will be provided. Kim Floyd added that Sutter

County, Biggs and Live Oak presentations have been confirmed and she continues to work to schedule the other agencies.

CORRESPONDENCE

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

Nothing to report.

PUBLIC COMMENT

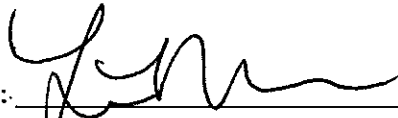
A resident of 413 Second Street (name not provided) stated that it was his understanding that Second Street would not be included in the construction activities, but now he has started hearing that access and a portion of the yards may be needed. He asked for clarification.

Mr. Inamine stated that there are two activities underway 1) construction of the Feather River West Levee Project and 2) at the conclusion of the improvements, SBFCA must demonstrate that the urban level of protection has been reached. Mr. Inamine stated that during the two meetings held with Second Street property owners, staff has stated in order to demonstrate the urban level of protection, right-of-way easements must be acquired. Staff has stated that they will reach out to the Second Street property owners on an individual basis.

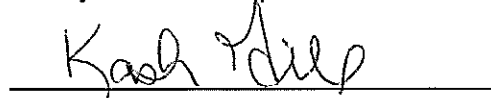
ADJOURNMENT

With no further business coming before the Board, the meeting was adjourned at 2:30 p.m.

ATTEST BY:



LISA MURPHY FOR
SARAH MODESTE, BOARD CLERK



KASH GILL, CHAIR