

**MINUTES OF THE FINANCE COMMITTEE OF THE  
SUTTER BUTTE FLOOD CONTROL AGENCY  
SEPTEMBER 10, 2014**

The Finance Committee of the Sutter Butte Flood Control Agency (Agency) Board of Directors (Board), State of California, met on the above date at 1 p.m. at 1441 Garden Highway, Yuba City, California.

**MEMBERS PRESENT**

City of Yuba City:	John Dukes
Levee District 1:	Barbara LeVake
Levee District 9:	Dave Lamon

**STAFF PRESENT:** Mike Inamine, Executive Director; Andrea Clark, Agency Counsel; Seth Wurzel, Budget Manager; Sarah Modeste, Administrative Manager

**REGULAR MEETING**

**1) Call to Order/Discussion & Action Items**

**a. Discussion of Financial Issues Associated with DWR Urban Flood Risk Reduction**

**Program**

Executive Director Mike Inamine outlined potential strategies to secure State funding in advance of the 2015 construction season. Mr. Inamine explained that due to DWR's delay in releasing the UFRR guidelines (1 year), DWR's funding cycle is now out of synch with SBFCA's construction schedule and that while staff would not commit the Agenda to undue risk, the FRWLP1 project was always formulated as a single project from Thermalito Afterbay to Star Bend. In spite of DWR's funding delays, this strategy is still the most cost effective approach, and certain necessities such as financing, Right-of-Way and O&M agreements cannot be achieved in a piecemeal fashion. SBFCA staff has recently revisited cash flow and funding capacity to plan for further State funding delays. DWR always caveats funding letters with a statement that they may not fund future work.

Mr. Inamine related an attempt to remedy an unexpected consequence of the State's failure to fund urban projects as promised. Mr. Inamine explained that early next year, the Agency will exceed local cost share, and since DWR can only credit the agency ahead of a construction funding agreement, the Agency is in danger of spending money that cannot be cost-shared with the State. To remedy this, legislation was proposed at the end of the legislative session to allow DWR to reimburse, rather than credit, the Agency for work performed in advance of a contract. Mr. Inamine explained that SBFCA has retained state lobbying services from Bob Reeb of Reeb Government Relations to assist SBFCA in obtaining State funding in a timely manner. Mr. Inamine explained that Reeb Government Relations would be compensated \$5,000 per month for five months of work. The proposed legislation was approved unanimously by the Senate, supported by the Administration and Assembly leadership. Unfortunately, the Assembly inexplicably adjourned before the bill was voted on. Mr. Inamine reported that the bill will be reintroduced as an urgency measure in January 2015 and that this timing will still work.

Budget Manager Seth Wurzel and Mr. Inamine and described all DWR funding to date and the FRWLP1 project cost estimate to date (approximately \$289 million), including the amount remaining for work outside of FRWLP1 (approximately \$33 million).

Mr. Inamine reviewed the status of cultural resources work to date. 15 cultural sites have been identified to date. Of these sites, 13 sites resulted in the suspension of work; and of these 13 sites, 11 have been recently cleared for construction. The original cost estimate for remediation of these sites was 16.9 million; however this cost estimate has been reduced to 10.5 million.

SBFCA Director Barbara LeVake asked how much the Agency is paying Bob Reeb. Mr. Inamine reported SBFCA is paying \$5,000 per month for the 5-month duration of the contract. Roberta Fletcher, CADAC member, said she was glad Ms. LeVake asked this question.

SBFCA Director John Dukes moved that the Finance Committee endorse the current SBFCA financial strategy as recommended by staff. Director LeVake seconded the motion and the Committee unanimously approved the motion.

A motion was made by Director John Dukes to approve the current SBFCA financial strategy as recommended by staff. The motion was seconded Barbara LeVake and approved as follows:

- John Dukes – Yes
- David Lamon – Yes
- Barbara Levake – Yes

**b. Updated Financial Impacts of FRWLP Cultural Resource Discoveries**

Mr. Inamine reviewed the status of cultural resources work to date. 15 cultural sites have been identified to date. Of these sites, 13 sites resulted in the suspension of work; and of these 13 sites, 11 have been recently cleared for construction. The original cost estimate for remediation of these sites was 16.9 million; however this cost estimate has been reduced to 10.5 million.

**Public Comment**


No other public comment.

**2) Adjourn**

With no further business before the committee, the meeting was adjourned at 3:55 p.m.

ATTEST BY:

  
ON BEHALF OF  
SARAH MODESTE

  
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JOHN DUKES, ACTING CHAIR