



SBFCA Finance Committee Meeting
12:00 p.m. – December 8, 2014
1441 Garden Highway, Yuba City, CA

Director Steve Lambert will participate in the meeting by teleconference from 3159 Nelson Avenue Oroville, CA 95965 in accordance with Government Code section 54953(b)(3). This location is accessible to the public, and persons attending at this location will be afforded an opportunity to address the sub-committee members from that location.

1. CALL TO ORDER

2. DISCUSSION & ACTION ITEMS

- a. Approval of Finance Committee Meeting minutes from July 1, 2014, August 4, 2014, September 10, 2014 and November 6, 2014.
- b. Update on Fiscal Year 2013-14 Audit
- c. Update on State Funding

3. PUBLIC COMMENT

4. ADJOURN

**DRAFT MINUTES OF THE FINANCE COMMITTEE OF THE
SUTTER BUTTE FLOOD CONTROL AGENCY
JULY 1, 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 10:30 a.m. at 1227 Bridge Street, Suite C, Yuba City, California.

MEMBERS PRESENT

County of Butte:	Steve Lambert
City of Yuba City:	John Dukes
Levee District 1:	Al Montna
Levee District 9:	David Lamon

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

REGULAR MEETING

1) Discussion Items

a. FRWLP Construction Cost, Funding & Schedule Issues

Executive Director Mike Inamine stated that there are five headings of work along Project Areas B, D and D. Within the three project areas, 12 cultural sites have been identified; cultural sites range from burial sites to materials. Four of the sites include human remains. SBFCA is working with the USACE, SHPO, Native American Tribes and soon the Native American Heritage Commission. Although SBFCA anticipated some cultural sites, it did not anticipate 12 sites at the time of the environmental document preparation. Construction work is suspended in the 12 cultural sites. Mr. Inamine stated that SBFCA must operate under Federal and State laws and requirements; once human remains are identified, State law must be followed.

Director John Dukes asked if the method of excavation changed once human remains are identified. Mr. Inamine stated that in order to meet Federal regulations, archeologists must sensitively excavate the site by hand, which is can be very costly. Monitors from United Auburn Indian Community and Enterprise Rancheria are on site and SBFCA's relationship with the tribes has improved over time. SBFCA does not know what the financial commitment to these sites will be until the archeologists and the USACE evaluate the sites together.

Director Dukes asked how much money was budgeted for this type of work. Mr. Inamine stated that two sites were budgeted. However, now that there are 12 sites, the costs will be much higher. The worst case scenario based on what SBFCA knows today is approximately \$10.8 million. The project completion could be delayed one year, which would increase costs; SBFCA is working with the contractor to sequence their work to areas outside the cultural resource areas. There could be additional Federal funding through the Feasibility Study through the USACE.

Director Al Montna asked if the levee had been degraded in the cultural sites. Mr. Inamine stated that SBFCA is working back from November 1 to ensure that there is enough time to rebuild the levees for the winter.

Mr. Inamine stated that DWR has altered its original agreement with SBFCA regarding the right of way cost share policy. This renegotiated amount will cost the agency an additional amount of around \$2.7 million.

The overall budget for the FRWLP is approximately \$280 million, which includes the \$10.8 million for cultural impacts, which could change. DWR recently changed their policy and are now requiring additional geodetic work which will cost approximately \$2.8 million. This is also included in the \$280 million.

SBFCA's budgeted right of way costs are less than anticipated, which is a testament to the effectiveness of the consultant team.

Mr. Inamine stated that there are three low level funding risks, including: timing of the new grant agreement with DWR, crediting of completed work (the amount and cost share), and State funding availability from Bond 1e funds. DWR funding commitment letters consistently state that they may not provide any future funding.

No public comment.

b. Review of SBFCA Overall Program Budget Chart

Budget Manager Seth Wurzel and Mr. Inamine described how the Agency manages and tracks funding for the Agency.

CADAC member Steve Scriven stated that he appreciated the information and glad he was able to attend the committee meeting. He stated that he recommended forming a finance committee when he joined the school board and believes it is a good idea for SBFCA.

c. Review of Potential New Task Orders & Budget Modifications

Mr. Wurzel reviewed upcoming Board requests associated with additional work at Oroville Wildlife Area, Laurel Avenue and Gridley Bridge.

ADJOURNMENT

With no further business before the committee, the meeting was adjourned at 11:50 a.m.

ATTEST BY: _____

SARAH MODESTE

STEVE LAMBERT, CHAIR

**DRAFT MINUTES OF THE FINANCE COMMITTEE OF THE
SUTTER BUTTE FLOOD CONTROL AGENCY
AUGUST 4, 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 3 p.m. at 1441 Garden Highway, Yuba City, California.

MEMBERS PRESENT

City of Yuba City:	John Dukes, Kash Gill*
Levee District 1:	Al Montna
Levee District 9:	David Lamon

**Director Kash Gill participated via conference call*

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. **HDR Task Order 11 & 12 Amendments (Design Support Services During Construction)**
- b. **ICF Task order 11 Amendment 4 (Environmental Compliance Services)**

Executive Director Mike Inamine and Director of Engineering Michael Bessette provided an overview of the new HDR task orders before the Board, which includes costs associated with DWR's scope change for geodetics and additional right-of-way support.

Director John Dukes asked for clarification on the amount of increase of HDR's master agreement. Mr. Bessette responded that the master agreement could support all but approximately \$1 million in work, but the work HDR will perform totals approximately \$2.8 million.

Mr. Bessette reviewed the cultural resource impacts, including 15 cultural sites, 6 of which contain human remains. Construction has stopped in 12 areas and plans were developed in order to determine remediation and next steps for each of the sites.

The ICF tasks orders are for cultural resource mitigation, including Native American tribal monitoring, preparation of treatment plans, and archeological testing and recovery (including sub consultant Far Western Archeological). The impact to the budget is \$5.6 million.

Director Dukes motioned to recommend that the Board approve the HDR and ICF task orders. The motion was seconded by Director Dave Lamon and approved by all members.

2) Public Comment

No public comment.

ADJOURNMENT

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

ATTEST BY: _____

SARAH MODESTE

KASH GILL, VICE CHAIR

**DRAFT 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.

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: _____

SARAH MODESTE

JOHN DUKES, ACTING CHAIR

**DRAFT MINUTES OF THE FINANCE COMMITTEE
SUTTER BUTTE FLOOD CONTROL AGENCY
NOVEMBER 6, 2014**

The Sutter Butte Flood Control Agency (SBFCA) Finance Committee Members, met on the above date at 3 p.m. at the SBFCA office, 1441 Garden Highway, Yuba City, California.

MEMBERS PRESENT:

City of Yuba City: John Dukes
Levee District 9: David Lamon
County of Butte: Steve Lambert*

**Director Steve Lambert participated via conference call*

STAFF PRESENT: Mike Inamine, Executive Director; Michael Bessette, Director of Engineering; Andrea Clark, Agency Counsel; Seth Wurzel, Budget Manager; Lisa Murphy on behalf of Sarah Modeste, Administrative Manager

1. Call to Order/Discussion & Action Items

a. Financial Issues Associated with DWR Urban Funding Flood Risk Reduction (UFFR) Program

Executive Director Mike Inamine compared the current UFRR grant solicitation process with the important milestones of ongoing FRWLP construction. Under the current DWR UFFR Grant Timeline (UFFR Guidelines continue to be delayed): July 2015 – DWR commitment letter to successful grant applicants; October 2015 – DWR approves grant agreement; December 2015 – first payment from DWR. This timeline is in deep conflict with the ongoing construction schedule, in which important decisions must be made in early January 2015 in order to advance a construction season that begins in April 2015. Mr. Inamine also explained the separate but related problem of reimbursement, in which the Agency will exceed its available credit limit under existing EIP guidelines in about April of 2015. Mr. Inamine noted that work would be halted at this point so as to not strand credit. He pointed out that DWR has agreed to include reimbursement language that would solve this problem, but given the delays of the UFRR problem, this would not help SBFCA. Thus staff is pursuing legislation on a separate track that will come in on time. This would not be problem if the UFRR funding process was executed as originally planned by DWR. While SBFCA has consistently communicated these issues to DWR, staff will forward alternative proposals to fix this problem.

Director John Dukes asked how much the construction costs would increase if construction would stop. Mr. Inamine responded that the delay could cost around \$5-\$10 million. He added that construction would not stop; rather construction would be delayed one year.

Mr. Inamine also noted that the five urban agencies have been discussing their common interests and issues with the DWR UFRR program.

2. Public Comment

Rick Libby, a member of the Sutter County Grand Jury, stated that with the way DWR has been delaying processes, there are no guarantees they will meet current deadlines. He added that until we have a commitment letter from the State with an exact dollar amount, we are not certain we will even get that funding.

Director Dukes stated that SBFCA is working through creative options in order to avoid delaying construction for too long, or at all.

3. Adjourn

With no further business, the meeting was adjourned at 3:52 p.m.

STEVE LAMBERT, CHAIR

ATTEST BY: _____

**LISA MURPHY ON BEHALF OF
SARAH MODESTE, BOARD CLERK**