



Sutter Butte Flood Control Agency

Board of Directors Agenda - Regular Meeting, March 13, 2024, 1 p.m.

City of Yuba City Council Chambers – 1201 Civic Center Blvd., Yuba City

The agenda is posted in the building of the Sutter Butte Flood Control Agency at 1445 Butte House Road. Suite B, Yuba City. The agenda summary, 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 1445 Butte House Road, Suite B, 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 the SBFCA office at 530-755-9859 or admin@sutterbutteflood.org. Requests must be made one full business day before the start of the meeting.

County of Sutter

Mat Conant
Nicholas Micheli
Alt. Karm Bains
Alt. Mike Ziegenmeyer

County of Butte

Bill Connelly
Tod Kimmelshue

City of Yuba City

Marc Boomgaarden
Wade Kirchner
Alt. Dave Shaw
Alt. Michael Pasquale

City of Live Oak

Lakhvir Ghag
Alt. Nancy Santana

City of Gridley

Bruce Johnson

City of Biggs

Bo Sheppard
Alt. Chuck Nuchols

Levee District 1

Charlie Hoppin
Al Montna
Alt. Gary Marler
Alt. Drew Stresser

Levee District 9

Mike Morris
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.

AGENDA SUMMARY

REGULAR MEETING/CALL TO ORDER

- Roll Call
- Pledge of Allegiance

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.

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 Chair 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 February 14, 2023 Regular Board Meeting
2. Approval of Amendment No. 18 to the contract with Larsen Wurzel & Associates, Inc. for ongoing Financial Support Services
3. Approval of Amendment No. 8 to the contract with RiverSmith Engineering for Independent Panel of Experts Services
4. Approval of Amendment No. 7 to Professional Services Agreement with Sacramento Valley Conservancy related to the Star Bend Setback and Mathews Mitigation Areas

INFORMATIONAL AND POSSIBLE APPROVAL ITEMS

5. Delegation of authority to the Executive Director to execute Project Partnership Agreement Amendment No. 1 with the Central Valley Flood Protection Board and the United States Army Corps of Engineers (USACE) and associated documents for the Sutter Basin Project
6. Consideration of Agency Dental & Vision Insurance Benefit policy
7. Presentation of Agency Audited Financial Statements and Related Reports for Fiscal Year Ending June 30, 2023
8. Presentation and File Monthly Financial Report
9. Presentation and File Program/Project Update

ADJOURNMENT

The next regularly scheduled Board of Directors meeting will be held on Wednesday, April 10, 2024 at 1 p.m.



Sutter Butte Flood Control Agency

Board of Directors Regular Meeting Minutes, February 14, 2024, 1 p.m.
City of Yuba City Council Chambers - 1201 Civic Center Blvd., Yuba City, CA

The Sutter Butte Flood Control Agency (Agency) Board of Directors (Board), State of California, met on the above date at 1 p.m. at the City of Yuba City Council Chambers - 1201 Civic Center Boulevard, Yuba City, CA.

These minutes do not represent a transcript of the meeting and are intended to be a summary of the most important points. For a complete record, please refer to the video recording of the meeting, which is posted on SBFCA's website: <http://sutterbutteflood.org/board/meetings-agendas/>

MEMBERS PRESENT

County of Sutter:	Mat Conant, Nicolas Micheli
County of Butte:	Tod Kimmelshue
City of Yuba City:	Dave Shaw, Michael Pasquale
City of Gridley:	Bruce Johnson
City of Biggs:	Bo Sheppard
City of Live Oak:	Lakhvir Ghag
Levee District 9:	Chris Schmidl, Mike Morris
Levee District 1:	Al Montna, Gary Marler

MEMBERS ABSENT: Marc Boomgaarden, Bill Connelly, Charlie Hoppin, Wade Kirchner

STAFF PRESENT: Michael Bessette, Executive Director; Chris Fritz, Director of Engineering, Agency Counsel; Andrea Clark; and Terra Yaney, Board Clerk

MEETING/CALL TO ORDER

At 1:00 p.m., Director Mat Conant opened the meeting and led the group in the pledge of allegiance.

1. Selection of 2024 SBFCA Chair and Vice Chair

Director Bo Sheppard nominated Director Tod Kimmelshue as the Chair of the 2024 SBFCA Board of Directors.
Director Michael Pasquale nominated Director Marc Boomgaarden as Vice Chair.

A motion to approve the Board Chair nomination was made by Director Bo Sheppard and seconded by Director Lakhvir Ghag. A motion to approve the Board Vice Chair nomination was made by Director Michael Pasquale and seconded by Director Mike Morris. The motions passed with no objection. The motion was approved as follows:

- | | |
|------------------------|-------------------------|
| • Mat Conant– yes | • Mike Morris- yes |
| • Lakhvir Ghag- yes | • Nicolas Micheli- yes |
| • Bruce Johnson– yes | • Michael Pasquale- yes |
| • Tod Kimmelshue - yes | • Chris Schmidl - yes |
| • Gary Marler – yes | • Dave Shaw- yes |
| • Al Montna - yes | • Bo Sheppard - yes |

CONSENT CALENDAR

2. Approval of the Minutes for the December 13, 2023 Regular Board Meeting

A motion to approve the Consent Calendar was made by Director Mike Morris and seconded by Mat Conant. Director Michael Pasquale abstained. The motion passed with no objection. The Consent Calendar was approved as follows:

- Mat Conant– yes
- Lakhvir Ghag- yes
- Bruce Johnson– yes
- Tod Kimmelshue - yes
- Gary Marler – yes
- Al Montna - yes
- Mike Morris- yes
- Nicolas Micheli- yes
- Michael Pasquale- abstain
- Chris Schmidl - yes
- Dave Shaw- yes
- Bo Sheppard - yes

No public Comment

The entire discussion and presentation is available on the SBFCA website at:

<http://sutterbutterflood.org/board/meetings-agendas/>

INFORMATIONAL AND POSSIBLE APPROVAL ITEMS

3. Presentation and File Monthly Financial Report

Budget Manager Seth Wurzel presented the monthly financial reports for November and December and answered questions regarding operating revenue of advanced funding. The entire report, along with a PowerPoint presentation is available on the SBFCA website at: <http://sutterbutterflood.org/board/meetings-agendas/>

4. Presentation and File Program/Project Update

Executive Director Michael Bessette gave a presentation outlining the recent and ongoing activities of the agency. He reported that SBFCA's design and environmental teams continue their work on the Tudor Flood Risk Reduction Project. The design team recently submitted the 90% design package and is in review with the IPE/SAR. The design package has been submitted to CVFPB for an encroachment permit, which initiates the USACE 408 review and approval process. Design and environmental team meetings continue to be held weekly to advance the project. It is anticipated that construction will begin in 2025.

It was reported that the project team continues to advance the design and permitting work for the Sutter Bypass East Levee repairs. The design team has finalized the 30% design plans to SBFCA, the IPE/SAR and our state partners for review. Staff is coordinating with DWR to pursue federal funding, through FEMA grants, for the construction of the 5-mile levee improvement project.

Mr. Bessette went onto report that staff continues to pursue additional funding opportunities in order to remove additional sediment from the confluence of the Feather and Yuba Rivers (Phase 2 work). SBFCA prepared a grant application which was submitted to NOAA and we are expecting to hear results later this summer. Staff is also exploring another potential funding opportunity provided by USBR.

It was reported that staff continues to advance the board approved Regional Development Impact Fee (DIF) Program to help fund implementation of the SBFCA Strategic Plan. Final approval took place on February 6th, the DIF will become effective 60 days after approval, which is anticipated to occur on April 8th.

He went onto report that staff continues to coordinate with staff from the City of Oroville to assist the City in advancing a levee repair project within the city limits. An application on behalf of the City was submitted in October to USACE. If the City's application is selected the Corps would conduct a feasibility study at 100% Federal cost-share.

Communication with Congressman LaMalfa's office is taking place in order to receive the congressman's full support for the project.

The entire report is available on the SBFCA website at: <http://sutterbutterflood.org/board/meetings-agendas/>

PUBLIC COMMENT

None

ADJOURNMENT

With no further business coming before the Board, the meeting was adjourned at 1:45 p.m.

ATTEST BY: _____

Terra Yaney, Board Clerk

Board Chair



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

March 13, 2024

TO: Board of Directors

FROM: Michael W. Bessette, Executive Director

SUBJECT: Authorization to amend the Contract with Larsen Wurzel & Associates, Inc. to support Ongoing Financial Services through Fiscal Year 2024-25

Recommendation

It is recommended that the Board of Directors authorize the Executive Director to execute an 18th Amendment to the agreement between the Sutter Butte Flood Control Agency (SBFCA) and Larsen Wurzel & Associates, Inc. (LWA) to incorporate additional budget related to program financial administration support for the Agency, subject to the review and approval by Agency Counsel.

Background

Staff with LWA have been working with SBFCA since August 25, 2010. Administrative services provided by LWA include: financial management related to the preparation and administration of SBFCA's annual budget and regular financial reporting, management of its financial statement preparation and audit, coordination regarding all debt related financing, cash flow management, coordination of SBFCA's employee payroll and retirement benefit plans, assistance with SBFCA's invoices and accounts payable, and coordination of SBFCA liability and worker's compensation insurance programs.

LWA also leads the coordination and financial administration of SBFCA's multiple funding and cost sharing agreements with SBFCA's Local, State and Federal partners. Administration activities over the remainder of this and next fiscal year include the remaining work associated with the closeout requirements of the FRWLP EIP/UFRR project, the administration and closeout of multiple grant agreements for OWA related projects, support services to be provided to the City of Oroville, administration of Sediment removal project grants, budget tracking and administration of Tudor Floor Risk Reduction Project, administration of the grant agreement for the Sutter Bypass East Levee Critical Repair project.

Through its contract, LWA has also supported the Small Community Studies for Sutter and Tudor that are being administered by SBFCA and the efforts to advance implementation of these projects. LWA has provided assistance with the formation and implementation of the Regional Development Impact Fee program as well as the management and administration of FRWLFA through its services agreement with SBFCA.

LWA's last amendment was approved in October 2023 and the expectation at that time was that the requested budget augmentation would be sufficient to provide services through June 2024. However, as a result of additional expenses associated with support for the EIP/UFRR Project, Development Impact Fee Program and Credit Transfer Agreement negotiations with SJAFCA, this budget was fully expended through February 2024. LWA's current ongoing services contract is revisited annually as part the Board's regular review of operational contracts. This is taking place early this year to ensure that services can continue through the current fiscal year without interruption. SBFCA expects this requested augmentation to cover LWA services through June 2025. Full funding for this contract will be covered by the Board when it adopts its annual budget in May and June 2024.

Fiscal Impact

Approval of the contract amendment would obligate SBFCA to pay for the associated services delivered (which are provided on a time and materials basis) up to the amended contract budget limitation. SBFCA's current contract with LWA is authorized up to a cumulative amount of \$5,533,101. This is reflective of all services provided since August 2010. The proposed amendment would increase this amount by \$565,000 to a not-to-exceed amount of \$6,098,101. The current budget for FY 2023-24 and expected budget approval for FY 2024-25 include sufficient authorization within various project accounts. As a result, there is expected to be no net budgetary impact from the Board's approval of the recommended action.

Attachments

- Eighteenth Amendment to the Professional Services Contract with Larsen Wurzel & Associates
- LWA Proposal Letter to Executive Director dated March 1, 2024

EIGHTEENTH AMENDMENT
TO AGREEMENT BETWEEN
SUTTER BUTTE FLOOD CONTROL AGENCY
AND
LARSEN WURZEL & ASSOCIATES, INC.

This Eighteenth Amendment to the Agreement between Sutter-Butte Flood Control Agency and Larsen Wurzel & Associates, Inc. ("Amendment") is made and entered into this 13th day of March, 2024, by and between Sutter Butte Flood Control Agency ("Agency") and Larsen Wurzel & Associates, Inc. ("Contractor") (collectively, the "Parties").

RECITALS

WHEREAS, in August 2010, the Agency entered into the agreement (Agreement) for professional services with Capitol Public Finance, LLC ("Capitol"); and,

WHEREAS, the Agency and Capitol executed the First Amendment to the Agreement in January 2011; and,

WHEREAS, the Agency assigned the Agreement with Capitol and First Amendment thereto to the Contractor; and,

WHEREAS, Agency and Contractor have entered in to the Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth, Ninth, Tenth, Eleventh, Twelfth, Thirteenth, Fourteenth, Fifteenth, Sixteenth, and Seventeenth Amendments to the Agreement, dated June 8, 2011, March 14, 2012, February 13, 2013, May 8, 2013, April 9, 2014, March 11, 2015, June 10, 2015, October 12, 2016, May 10, 2017, June 13, 2018, June 12, 2019, June 10, 2020, June 9, 2021, June 8, 2022, April 12th, 2023, and October 26th, 2023, respectively; and,

WHEREAS, Article 21 of the Agreement states that any amendment must be in writing and executed by both parties;

WHEREAS, Agency and Contractor desire to further amend the Agreement;

NOW, THEREFORE, the Parties agree as follows:

Section 3.as of the Agreement shall be modified to read in its entirety as follows: "The compensation to be paid by SBFCA to Contractor for services as described in Exhibit 'A' shall be charged pursuant the rate schedule included as Exhibit 'B,' but not to exceed Six Million Ninety Eight Thousand One Hundred One dollars (\$6,098,101). Contractor shall be reimbursed for out-of-pocket expenses incurred for travel, postage and delivery, and long-distance telephone charges pursuant to the terms stated within Exhibit B. Contractor shall provide SBFCA with an itemized statement of expense by category of expense a part of each monthly billing statement."

All other terms and conditions contained in the Agreement shall remain in full force and effect.

This Amendment is hereby executed on the 13th day of March, 2024.

Agency

Contractor

By: _____
Sutter Butte Flood Control Agency

By: _____
Larsen Wurzel & Associates, Inc.

APPROVED AS TO FORM:
Sutter Butte Flood Control Agency Counsel

March 4, 2024

Mr. Michael Bessette
Sutter Butte Flood Control Agency
Post Office Box M
Yuba City, CA 95991

Re: Extension to LWA's Contract for Financial and Project Management Services for SBFCA

Dear Mr. Bessette:

Larsen Wurzel & Associates, Inc. (LWA) appreciates the opportunity to submit this request for an extension to our contract for consulting services to Sutter Butte Flood Control Agency (SBFCA). LWA is proud of its relationship with the SBFCA and remains committed to supporting the Agency's mission.

Amendment 16, executed in April 2023, was intended to cover LWA's costs through June 2024. Amendments to LWA's contract have been approved to be consistent and reflective of the Agency's adopted budget. The requested amendment amount was calculated under the assumption that the administration of the EIP/UFRR grant would have completed in the summer of 2023. However, work on closeout efforts, quarterly reporting and reimbursement requests remain ongoing. In addition, SBFCA's efforts associated with the adoption and implementation of the Development Impact Fee exceeded the approved budget due to the extended time frame and support needed for member Agency adoption. Finally, SBFCA has supported LWA's efforts to facilitate a credit transfer agreement with SJAFCA. The timeframe and effort associated with this support, while within the Agency's adopted budget, was not reflected within LWA's contract amendment. For these reasons, LWA is requesting an amendment to its current contract in advance of June 2024.

LWA proposes to continue to support the Agency by providing the scope services described within our original professional services agreement as it has been amended from time to time as requested by the Agency. This request would provide sufficient budget to continue our services through Fiscal Year 2024/25. The budgeted extension for these requested services is an additional \$565,000. This would increase our current cumulative contract limitation from \$5,533,101 up to \$6,098,101.

LWA's billing rates are updated annually on January 1st of each year. Attached to this letter are our current Billing Rates covering 2024. We request that these rates be incorporated into the proposed Professional Services contract amendment at this time.

We look forward to continuing our relationship. Please do not hesitate to contact me by phone at 916-698-5712 or by e-mail at seth@larsenwurzel.com if you have any questions or concerns with this request.

Sincerely,



Seth Wurzel, CGFM
Principal
Larsen Wurzel & Associates, Inc.

Larsen Wurzel & Associates, Inc.
Hourly Rate Schedule

Staff Position	2024*
Managing Principal	\$280
Principal	\$275
Senior Consultant	\$280-340
Supervising Project Manager	\$270
Senior Project Manager II	\$263
Senior Project Manager I	\$257
Associate Project Manager II	\$251
Associate Project Manager I	\$246
Project Manager II	\$240
Project Manager I	\$234
Supervising Associate	\$249
Senior Associate II	\$237
Senior Associate I	\$226
Associate III	\$214
Associate II	\$202
Associate I	\$191
Senior Analyst	\$179
Analyst II	\$161
Analyst I	\$144
Supervising Engineer	\$250
Senior Engineer II	\$241
Senior Engineer I	\$234
Project Engineer	\$226
Associate Engineer	\$203
Assistant Engineer II	\$191
Assistant Engineer I	\$179
CAD Tech/GIS Specialist	\$156
Junior Engineer	\$146
Senior Project Coordinator	\$161
Project Coordinator	\$144
Project Assistant	\$137
Technical Editor	\$119
Clerical Staff	\$108
Intern	\$84

****Rates subject to adjustment on January 1st of each year.***

Automobile mileage is billed at the IRS federal reimbursement rate.
Professional services provided by others billed through LWA are billed at cost plus a service charge of 5%.



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

March 13, 2024

TO: Board of Directors

FROM: Michael Bessette – Executive Director

SUBJECT: Approval of Amendment 8 to the Contract with RiverSmith Engineering for Independent Panel of Experts Services

Recommendation

Staff recommends that the Board of Directors approve the attached Amendment 8 to the contract with RiverSmith Engineering in the amount of \$60,000 for work associated with the Independent Panel of Experts review and oversight of the Feather River West Levee Project, Tudor Flood Risk Reduction project, and Sutter Bypass East Levee Repair, and delegate authority to the Executive Director to execute the amendment.

Background

Consistent with the Board's approval of the 5-Year Budget, it is necessary to approve certain consultant contract amendments to increase the respective not-to-exceed amounts to cover budgeted expenditures.

The contract with RiverSmith Engineering, Inc. was last amended in July 2016. The last amendment provisioned for service through June 2024. In order to provision for services through June 2025 an extension of the budget is needed.

Discussion

Staff proposes a \$60,000 increase with the not-to-exceed limit of the contract increased to \$620,000.

Fiscal Impact

The approval of the above contract amendment will obligate the Agency to pay for the associated services delivered up to the amended contract budget limitation. The cost for Independent Panel of Experts Services is allocated across multiple capital projects within SBFCA's program. The limitation for each of the contracts is within the appropriated expenditure limits of the approved capital budget for FY's 2020/21 through 2024/25 when taking into consideration the cumulative budget for these services across SBFCA's program. As a result, there is no net budgetary impact from the Board's approval of the recommended action.

Attachment: Amendment 8 to the Agreement between SBFCA and RiverSmith Engineering, Inc.

EIGHTH AMENDMENT
TO AGREEMENT BETWEEN
SUTTER BUTTE FLOOD CONTROL AGENCY
AND
RIVERSMITH ENGINEERING, INC.

This Eighth Amendment to the Agreement between Sutter Butte Flood Control Agency and RiverSmith Engineering, Inc. ("Amendment") is made and entered into this 13th day of March 2024, by and between Sutter Butte Flood Control Agency ("Agency") and RiverSmith Engineering, Inc. ("Contractor").

RECITALS:

WHEREAS, Agency and Contractor entered into an agreement to provide engineering services dated January 10, 2011 ("Agreement");

WHEREAS, Agency and Contractor have entered into the First, Second, Third, Fourth, Fifth, Sixth, and SEVENTH Amendments to the Agreement dated June 8, 2011, March 14, 2011, September 11, 2013 and November 12, 2014, August 12, 2015, July 13, 2016, and September 14, 2022 respectively;

WHEREAS, Article 21 of the Agreement states that modifications or amendments to the terms of the Agreement shall be in writing and executed by both parties;

WHEREAS, Agency and Contractor desire to amend the Agreement;

NOW, THEREFORE, Agency and Contractor agree as follows:

Section 3.A of the Agreement shall be modified to read in its entirety as follows: "The compensation to be paid by SBFCA to Contractor for services shall be in accordance with the Contractors Rate Schedule, but not to exceed five hundred thousand dollars (\$620,000). Contractor shall be reimbursed for out-of-pocket expenses incurred for travel, postage and delivery, and long-distance telephone charges. Contractor shall provide SBFCA with an itemized statement of expense by category of expense a part of each monthly billing statement."

All other terms and conditions contained in the Agreement shall remain in full force and effect.

This Amendment is hereby executed on the 13th day of March, 2024.

Agency

Contractor

By: _____
Sutter Butte Flood Control Agency

By: _____
Thomas W. Smith, PE, GE

APPROVED AS TO FORM:
SCOTT SHAPIRO

SUTTER BUTTE FLOOD CONTROL
AGENCY COUNSEL



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

March 13, 2024

TO: Board of Directors

FROM: Michael Bessette, Executive Director

SUBJECT: Approval of Amendment No. 7 to Professional Services Agreement with Sacramento Valley Conservancy related to the Star Bend Setback and Mathews Mitigation Areas

Recommendation

Approve and authorize the Executive Director to execute Amendment No. 7 modifying the previously approved Professional Services Agreement with Sacramento Valley Conservancy (SVC) to increase the total compensation allowed to be paid by SBFCA to \$249,638, an increase of \$10,000.

Background

As part of the FRWLP, SBFCA is responsible for the implementation of several mitigation measures, including compensation for impacts to the valley elderberry longhorn beetle (VELB) and riparian habitat. A total of 91 elderberry shrubs/clusters were identified to be impacted by the FRWLP. In addition, 23.48 acres of riparian forest would also be impacted as a result of the FRWLP. All VELB mitigation and a portion of the riparian mitigation is being fulfilled between two sites – Star Bend (Phase 2) and Matthews. The remaining mitigation requirements for riparian habitat have been fulfilled at the Cosumnes Floodplain Mitigation Bank operated by Westervelt Ecological Services and approved by both the California Department of Fish and Wildlife and United States Department of Fish and Wildlife agencies

The U.S. Fish and Wildlife Service (USFWS) issued a Biological Opinion (BO) for the FRWLP on May 2, 2013 (Biological Opinion Reference No. 08ESMF00-2013-F-0342-1). Conservation measures for the VELB included transplanting elderberry shrubs to be impacted and planting replacement seedlings (1,470 elderberries and 1,470 associated native riparian plants at least 12.15 acres).

Elderberry shrubs to be impacted were relocated to both the Star Bend Phase 2 and Matthews sites in February 2014 and February 2015, respectively. A total of 50 (389 stems) shrubs were transplanted at Star Bend, resulting in 144 transplant locations (watering basins). A total of 28 (139 stems) shrubs were transplanted at Matthews, resulting in 47 watering basins at the site. Remaining shrubs that were not transplanted were either not salvageable or left in place during levee construction. To fulfill the replacement planting for VELB impacts, elderberry and associated native riparian seedlings were installed at the Star Bend and Matthews sites between 2014 and 2016. Monitoring is required annually over a period of 10 years. Collectively, 60% (882) of the elderberries and 60% (882) of the associated native plantings must be alive at the end of the 10-year monitoring period.

Mitigation for impacts to riparian habitat require the planting of native riparian trees and shrubs on 46.96 acres. In the process of creating habitat for the VELB, riparian habitat mitigation for the FRWLP is being partially fulfilled at the Star Bend Phase 2 and Matthews VELB Mitigation Sites. These include 13.8 acres at Star Bend Phase 2 and 8.1 acres at Matthews, totaling 21.9 acres. At each site, 80% of the mitigation plantings must be surviving at the end of a 20-year period. Monitoring is being completed during the first 10 years coinciding with the VELB mitigation monitoring requirements, followed by additional monitoring in Years 15 and 20 of the sites to complete all riparian mitigation monitoring obligations.

In June 2018, SBFCA identified SVC as the preferred entity to be the conservation easement holder and manager of the valley elderberry long horned beetle mitigation preserves. The mitigation preserves are required by the environmental permits related to the Feather River West Levee Project (FRWLP). In order to establish the mitigation preserves a series of documents needs to be prepared. SBFCA and SVC entered into a Professional Services Agreement to complete the required documents including conservation easements and a management plan. As SBFCA and SVC have advanced this effort, additional reviews by the resource agencies have extended the time frame expected for this effort, resulted in additional work and changes resulting in additional costs. The proposed contract amendment will provide the necessary resources to complete the contemplated transaction and comply with SBFCA permit requirements. The attached Amendment No. 7 to the previously approved Services Agreement between SBFCA and SVC increases to total contract amount up to a maximum of \$249,638, an increase of \$10,000.

Fiscal Impact

Approval of the proposed amendment will obligate SBFCA to pay for the services provided up to the limit of the agreement, \$249,638. The work described above is associated with SBFCA's requirements for mitigation as part of the regulatory approvals of the Feather River West Levee Project. The approved capital budget for FY's 2020/21 through 2023/24 include budget for Environment Mitigation within accounts 731-6740(0,1), 6840(0,1) and 6890(0,1) for Areas C, B and D respectively. The Board Approved budget for the accounts are sufficient to cover the mitigation obligations of the FRWLP which include this Services Agreement with SVC. As a result, there is no net budgetary impact from the Board's approval of the recommended action.

Attachment: Amendment 7 to the Sacramento Valley Conservancy Professional Services Agreement

Sacramento Valley Conservancy
Star Bend and Mathews Preserve Project Amendment No. 7
Feather River West Levee Project

This Contract Amendment No. 7 amends the Contract between the Sutter Butte Flood Control Agency and Sacramento Valley Conservancy dated June 1, 2018.

Scope of Work

Scope of Work remains as defined in original contract.

Schedule

The services under this Amendment shall continue until the project is completed or the Agreement is terminated per the conditions outlined in the original contract.

Budget

The budget for this amendment is not-to-exceed \$10,000, bringing the new total contract amount to \$249,638, and will be based upon actual costs incurred and invoiced on a monthly basis.

Special Provisions

None

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

SUTTER BUTTE FLOOD CONTROL AGENCY

By: _____

Dated: _____

SACRAMENTO VALLEY
CONSERVANCY

By: _____

Dated: _____

Star Bend, Matthews Preserve PROPOSED Budget Amendment #7

Item	Current Project Budget	Proposed Budget Revisions	Proposed Amended Budget	Inv #27 Funds Used October 2023	Total Remaining Funds
SVC Staff/Administrative	\$36,800.00	\$1,500.00	\$38,300.00	\$93.75	\$1,339.29
SBRLT Conservation Services	\$4,900.00	\$1,000.00	\$5,900.00		\$0.00
Project coordination, Transaction review, Legal Review					\$306.25
					\$0.00
					\$0.00
Legal Fees	\$165,000.00	\$15,000.00	\$180,000.00	\$1,989.86	-\$11,645.54
					\$0.00
Star Bend Phase 1 ESA	\$10,000.00	\$0.00	\$10,000.00		\$0.00
					\$0.00
Matthew Mineral Remoteness Consultant	\$12,000.00	\$0.00	\$12,000.00		\$0.00
					\$0.00
Conservation Easement Baselines	\$937.50	\$500.00	\$1,437.50		\$0.00
Easement Baselines to be provided by SBRLT					\$0.00
					\$0.00
Contingency	\$10,000.00	-\$8,000.00	\$2,000.00		\$10,000.00
					\$0.00
TOTAL	\$239,637.50	\$10,000.00	\$249,637.50	\$2,083.61	\$0.00
NEW PROPOSED TOTAL		\$249,637.50			

Please make check payable to Sacramento Valley Conservancy
PO Box 163351 Sacramento, CA 95816



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

March 13, 2024

TO: Board of Directors

FROM: Michael Bessette, Executive Director

SUBJECT: Delegation of authority to the Executive Director to execute Project Partnership Agreement Amendment No. 1 with the Central Valley Flood Protection Board and the United States Army Corps of Engineers (USACE) and associated documents for the Sutter Basin Project

Recommendation

Delegate authority to the Executive Director, subject to review by legal counsel, to execute a three-party Project Partnership Agreement Amendment No. 1 with the Central Valley Flood Protection Board and the United States Army Corps of Engineers (USACE) and associated documents for the Sutter Basin Project.

Background

The Sutter Basin Feasibility Study was authorized by the Water Resources Reform and Development Act (WRRDA) of 2014 and reauthorized in the Water Infrastructure Improvements for the Nation (WIIN) Act of 2016. The study recommended a plan to improve the Feather River West Levee from Thermalito Afterbay to 2,200 feet south of Laurel Avenue (SBFCA levee station 180+00), the Sutter Basin Flood Risk Management Project (Project). The Sutter Butte Flood Control Agency (SBFCA), in partnership with the California Department of Water Resources (DWR), executed the Project Partnership Agreement in June 2018 for the construction of the Sutter Basin Project (the remaining five-mile reach between the Star Bend setback levee and the Laurel Avenue FSRP project).

The Sutter Basin Project has been completed, and due to construction advanced by SBFCA and the State of California for which the Federal government did not pay a cost share, SBFCA and the State of California have accumulated excess Federal credits. SBFCA, with assistance from the State of California, has advanced an effort to perfect the existing Federal credits so that the Federal government recognizes them.

Section 1020 of WRRDA 2014, as amended by Section 1166 of WIIN 2016, provides authority for the Federal government to approve a comprehensive plan submitted by a non-Federal sponsor to allow for the transfer of excess credit from one authorized project to another. The State of California, with assistance from SBFCA, completed a comprehensive plan to allow for the transfer of excess Federal credits from the Sutter Basin Project to the Lower San Joaquin Project. In December 2023, both the USACE and the Assistant Secretary of the Army approved the comprehensive plan allowing for the transfer of federal credit.

SJAFCA is engaged in numerous flood risk reduction efforts in the San Joaquin River Watershed, including its role as a non-Federal sponsor (along with the State of California) for the Federally authorized Lower San Joaquin River Flood Risk Reduction Project ("San Joaquin Project"). The Lower San Joaquin Project was authorized by the America's Water Infrastructure Act of 2018 ("AWIA 2018") (Public Law 115-270) Title I, Subtitle D, Section 1401. In its role as a non-Federal sponsor, SJAFCA is obligated to pay a cost share to the Federal government for the San Joaquin Project, and some portion of that cost share may be paid with Federal Credits.

SBFCA is in the process of finalizing negotiations on a Credit Transfer Agreement with the San Joaquin Area Flood Control Agency (SJAFCA) to sell excess Federal credits to SJAFCA. A Terms Sheet to memorialize the negotiation will be brought to both Agency Board of Directors in April or May for approval, and the Credit Transfer Agreement will be brought to both boards for approval a couple of months later. The PPA Amendment No 1 will not be executed and returned to USACE until both credit transfer agreements (Term Sheet and Credit Transfer Agreement) are approved by both agencies. However, USACE is requesting that the associated Certification forms be signed and returned as soon as possible as a matter of procedure.

USACE is required to complete several procedures and analysis in order to perfect the federal credits for both SBFCA and the State. In addition, SBFCA, SJAFCA, and the State are also working on associated tasks. The following is a list of key credit process milestones and associated target completion dates:

1. Execute Memorandum of Agreement between SBFCA and SJAFCA: COMPLETED (May 2023)
2. SJAFCA Prop 218 Election: COMPLETED (June 2023)
3. Approval of Comprehensive Plan by USACE ASA : COMPLETED (December 2023)
4. Approval of Integral Determination Report (IDR) by USACE SPD: August 2024
5. Approval of Lands, Easements, Rights-of-Way, Relocations and Disposal Sites (LERRD) package by USACE: December 2025
6. Final Credit Accounting: TBD
7. Execute Transfer Agreement between SBFCA and SJAFCA: April 2024
8. Execute Project Partnership Agreement (PPA) amendments: September 2024
9. Begin payments to SBFCA: July 2026.

Fiscal Impact

The PPA Amendment No. 1 supports the transfer of Federal Credit from the Sutter Basin Project to the Lower San Joaquin Project and does not change (either increase or decrease) SBFCA's obligations associated with the Sutter Basin Project. As a result, there is no net Fiscal Impact resulting from the Board's approval of the recommended action.

Attachments

1. Project Partnership Agreement Amendment No. 1 Between the Department of the Army and the Sutter Butte Flood Control Agency and the Central Valley Flood Protection Board for the Sutter Basin, California Project
2. Resolution 2024-XX
3. Certificate of Authority
4. Certificate Regarding Lobbying
5. Self-Certification of Financial Capability

AMENDMENT NUMBER 1
TO THE
PROJECT PARTNERSHIP AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
THE SUTTER BUTTE FLOOD CONTROL AGENCY
AND
THE CENTRAL VALLEY FLOOD PROTECTION BOARD
FOR THE
SUTTER BASIN, CALIFORNIA PROJECT

THIS AGREEMENT is entered into this 13 day of March, 2024, by and between the Department of the Army (hereinafter the “Government”) represented by the District Commander, Sacramento District, U.S. Army Corps of Engineers, the Sutter Butte Flood Control Agency (hereinafter “Sutter Butte”), represented by its Executive Director, and the State of California, acting by and through the Central Valley Flood Protection Board (hereinafter the “State”), represented by its Executive Officer (Sutter Butte and the State when referred to collectively are referred to as the “Non-Federal Sponsors”).

WITNESSETH THAT

WHEREAS, construction of the Sutter Basin, California project (hereinafter the “Project”) was authorized by the Water Resources Reform and Development Act of 2014 (Public Law 113-121), Title VII, Section 7002(2) and amended by the Water Infrastructure Improvements for the Nations Act (Public Law 114-322), Title I, Subtitle C, Section 1305;

WHEREAS, the Government and the Non-Federal Sponsors entered into a Project Partnership Agreement on August 29, 2018 (hereinafter the “Agreement”) for construction of the Project;

WHEREAS, Section 104 of the Water Resources Development Act of 1986, Public Law 99-662 (33 U.S.C. 2214) authorizes the Secretary of the Army to provide for crediting the cost of work carried out by a non-Federal interest against the Non-Federal share of the costs of an authorized project for flood control;

WHEREAS, Section 1020 of the Water Resources Reform and Development Act of 2014, Public Law 113-121, as amended by Section 1166 of the Water Resources Development Act of 2016, Public Law 114-322 (33 U.S.C. 2223), provides that credit for in-kind contributions provided by a non-Federal interest that are in excess of the required non-Federal cost share for a water resources development project may be transferred from that project and applied toward the required non-Federal cost share for a different water resources development project upon submittal of a comprehensive plan by the non-Federal interest and approval of the comprehensive plan by the Government, and

WHEREAS, the Non-Federal Sponsors submitted a Comprehensive Plan on March 30, 2023 (hereinafter the “Comprehensive Plan”) for the transfer from the Project of excess credit up to the amount of \$110,641,000 (hereafter “excess credit” as defined in Article I.L. of this Agreement, as amended), which Comprehensive Plan was approved by the Assistant Secretary of the Army (Civil Works) on November 6, 2023.

NOW, THEREFORE, the Government and the Non-Federal Sponsors agree to amend the Agreement as follows:

1. Remove the “and” at the end of the second WHEREAS clause and insert the following after the second WHEREAS clause:

“WHEREAS Section 104 of the Water Resources Development Act of 1986, Public Law 99-662 (33 U.S.C. 2214) authorizes the Secretary of the Army to provide for crediting the cost of work carried out by a non-Federal interest against the non-Federal share of the costs of an authorized project for flood control;

WHEREAS, Section 1020 of the Water Resources Reform and Development Act of 2014, Public Law 113-121, as amended by Section 1166 of the Water Resources Development Act of 2016, Public Law 114-322 (33 U.S.C. 2223) provides that credit for in-kind contributions provided by a non-Federal interest that are in excess of the required non-Federal cost share for a water resources development project may be transferred from that project and applied toward the required non-Federal cost share for a different water resources development project upon submittal of a comprehensive plan by the non-Federal interest and approval of the comprehensive plan by the Government;

WHEREAS, the Non-Federal Sponsors submitted the Comprehensive Plan on March 30, 2023 (hereinafter the “Comprehensive Plan”) for the transfer from the Project of excess credit up to the amount of \$110,641,000 (hereinafter “excess credit, as defined in Article I.L. of this Agreement), which comprehensive plan was approved by the Assistant Secretary of the Army (Civil Works) on November 6, 2023; and”.

2. Add the following sentence at the end of the Article I.A.: “The term includes the Section 104 work described in paragraph K. of this Article.”

3. Add the following at the end of the second sentence, after the term “if any”: “, the costs of the Section 104 work determined in accordance with Article II.B.5. of this Agreement.”

4. Add the following at the end of Article I:

“K. The term “Section 104 work” shall mean the Star Bend Levee Set Back Project as described in the Sutter Basin Pilot Feasibility – Final Environmental Impact Report/Supplemental Environmental Impact Statement, dated October 2013 and approved by the Chief of Engineers on March 12, 2014. The term includes planning, engineering, design, supervision and administration, and other activities associated with such work, but does not include the construction of betterments, or the construction of improvements required on lands,

easements and rights-of-way to enable the disposal of dredged or excavated material associated with the Section 104 work.

L. The term “excess credit” means the value of in-kind contributions up to the amount of \$110,641,000 in excess of the Non-Federal Sponsors required cost share provided by the Non-Federal Sponsors under this Agreement that may be transferred from the Project and applied toward the required cost share of the Non-Federal Sponsors for the San Joaquin Basin, Lower San Joaquin River, California Project under the Project Partnership Agreement entered into with the Government on September 30, 2020, as amended, in accordance with the Comprehensive Plan.

5. Add the following at the end of Article II.B.:

“6. The Government shall determine and include in construction costs any costs incurred by the Non-Federal Sponsors for Section 104 work, subject to the conditions and limitations of this paragraph. The Non-Federal Sponsors in a timely manner shall provide the Government with such documents as are sufficient to enable the Government to determine the amount of costs to be included in construction costs for Section 104 work.

a. Section 104 work shall be subject to an on-site inspection and determination by the Government that the work was accomplished in a satisfactory manner and is suitable for inclusion in the Project.

b. The Non-Federal Sponsors’ costs for Section 104 work that may be eligible for inclusion in *construction costs* pursuant to this Agreement shall be subject to an audit in accordance with Article X of this Agreement to determine the reasonableness, allocability, and allowability of such costs.

c. The Non-Federal Sponsors’ costs for Section 104 work that may be eligible for inclusion in construction costs pursuant to this Agreement are not subject to interest charges, nor are they subject to adjustment to reflect changes in price levels between the time the Section 104 work was completed and the time the costs are included in construction costs.

d. The Government shall not include in construction costs any costs for Section 104 work paid for by the Non-Federal Sponsors using Federal program funds unless the Federal agency providing the Federal portion of such funds verifies in writing that the expenditure of such funds for such purpose is expressly authorized by Federal law.

7. The Government, in accordance with this paragraph, shall afford credit toward the Non-Federal Sponsor’s share of construction costs for the costs of the Section 104 work determined in accordance with paragraph B.6. of this Article. However, the maximum amount of credit that can be afforded for Section 104 work shall not exceed the least of the following amounts as determined by the Government: 45 percent of construction costs; the value of the Non-Federal Sponsors’ contributions required under paragraph B.2. and B.3. of this Article and Article IV.A. of this Agreement; or the Government’s estimate of the costs of the Section 104 work if the work has been accomplished by the Government.”

6. Delete Article VI.A. in its entirety and replace with the following:

“A. As of the effective date of Amendment Number 1 to this Agreement, construction costs are projected to be \$ _____, with the Government's share of such costs projected to be \$ _____ and the Non-Federal Sponsors' share of such costs projected to be \$ _____, which includes the 5 percent contribution of funds projected to be \$ _____, creditable real property interests, relocations, and placement area improvements projected to be \$ _____, creditable costs for the Section 104 work projected to be \$ _____, creditable in-kind contributions projected to be \$ _____, and the additional amount of funds required to meet the minimum 35 percent cost share projected to be \$ _____. The amount of excess credit to be transferred from the Project is projected to be _____. Costs for betterments are projected to be \$0. These amounts are estimates only that are subject to adjustment by the Government and are not to be construed as the total financial responsibilities of the Government and the Non- Federal Sponsors.”

7. All other terms and conditions of this Agreement remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Commander.

DEPARTMENT OF THE ARMY

CENTRAL VALLEY FLOOD
PROTECTION BOARD

BY: _____

BY: _____

DATE: _____

DATE: _____

THE SUTTER BUTTE FLOOD
CONTROL AGENCY

BY: _____

DATE: _____

RESOLUTION NO. 2024-01

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SUTTER BUTTE FLOOD CONTROL AGENCY
APPROVING THE EXECUTION OF PROJECT
PARTNERSHIP AGREEMENT AMENDMENT NO. 1
WITH
THE U.S. ARMY CORPS OF ENGINEERS
AND THE STATE OF CALIFORNIA FOR THE FEDERAL
SUTTER BASIN PROJECT**

WHEREAS, in 2014 and again in 2016 the U.S. Congress authorized the construction of the Federal Sutter Basin Project; and

WHEREAS, in 2018 the Project Partnership Agreement for the Construction of the Federal Sutter Basin Project was executed; and

WHEREAS, in order for the U.S. Army Corps of Engineers (USACE) to transfer federal credit from the Sutter Basin Project to the Lower San Joaquin Project, Sutter Butte Flood Control Agency must execute Project Partnership Agreement (PPA) Amendment No. 1 with USACE, and the State of California.

NOW, THEREFORE, BE IT RESOLVED THAT:

The Board of Directors of the Sutter Butte Flood Control Agency authorizes the execution of PPA Amendment No. 1 and any other necessary documents in order to proceed with the transfer of federal credit from the Federal Sutter Basin Project to the Federal Lower San Joaquin Project.

PASSED and ADOPTED this 13th day of March, 2024, by the Board of Directors of the Agency by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: CLERK OF THE BOARD

BOARD CHAIR

APPROVED AS TO FORM: GENERAL COUNSEL

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Michael W. Bessette, PE
Executive Director

DATE: _____

CERTIFICATE OF AUTHORITY

I, Scott L. Shapiro, do hereby certify that I am the principal legal officer for the Sutter Butte Flood Control Agency that the Sutter Butte Flood Control Agency is a legally constituted public body with full authority and legal capability to perform the terms of the Amendment No. 1 to the PPA for the Sutter Basin, California Project between the Department of the Army and the Sutter Butte Flood Control Agency in connection with the Sutter Basin, California Project, and to pay damages, if necessary, in the event of the failure to perform in accordance with the terms of this Amendment No. 1, as required by Section 221 of Public Law 91-611, as amended (42 U.S.C. 1962d-5b), and that the person who executed this Amendment No. 1, on behalf of the Sutter Butte Flood Control Agency acted within his statutory authority.

IN WITNESS WHEREOF, I have made and executed this certification this
_____ day of _____ 20____.

Scott L. Shapiro
Agency Counsel

**NON-FEDERAL SPONSOR'S
SELF-CERTIFICATION OF FINANCIAL CAPABILITY
FOR AGREEMENTS**

I, Spencer Morrison, do hereby certify that I am the Finance Director of the Sutter Butte Flood Control Agency (the "Non-Federal Sponsor"); that I am aware of the financial obligations of the Non-Federal Sponsor for the Sutter Basin, California Project and that the Non-Federal Sponsor has the financial capability to satisfy the Non-Federal Sponsor's obligations under the Sutter Basin, California Project

IN WITNESS WHEREOF, I have made and executed this certification this _____ day of _____, _____.

BY: _____

TITLE: _____

DATE: _____



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

March 13, 2024

TO: Board of Directors

FROM: Andrea Clark, Agency Counsel
Seth Wurzel, Agency Budget Manager

SUBJECT: Modification of Policy related to SBFCA Health Benefits – Dental and Vision Insurance

Recommendation

That the Board of Directors direct staff to work with SBFCA's medical insurance broker and provider to adjust the employer share of benefits related to Dental and Vision insurance benefits to reflect that the Agency cover of 100% of the employee's premiums and 85% of dependent premiums for the Ameritas Dental PPO 5000 and VSP Vision Plans respectively.

Background

In June 2023, the Board took action to modify a portion of its health benefits that it provides its employees to adjust the amount of Medical Insurance premiums it covers for employees and their dependents. Prior to June 2023, SBFCA provided a flat dollar amount of coverage each month to its employees to be utilized to subsidize the cost of all Health insurance benefit premiums. This amount had not been adjusted since the execution of the original employment agreement with the current Executive Director in 2019. As a result, as the cost of health insurance premiums rose overtime, employees bore 100% of the cost of all premium increases each year. To address this, the Board took action to provide a base level of benefit pegged to specific provider's premium. The adopted approach for Medical Insurance was to provide a benefit that covered 100% of the employee's premiums and 85% of any dependent premiums for the WHA Gold HMO Medical Insurance Plan C. By taking this approach and applying this formula, each year when dependent premiums rise, SBFCA is sharing in the cost of the premium increases with the employee for any dependent coverage while at the same time prioritizing the health benefit of the employee. SBFCA took this action in June, at the time of the annual update to the Executive Director's contract but was unable to implement this change as part of the Health Insurance benefit for 2023. This is because SBFCA was in the middle of health coverage plan coverage year which runs from April 1st to March 31st each year. The approach in June 2023 was to temporarily increase the Executive Director's compensation until March 31, 2024 (effectively subsidizing the current insurance premiums) and then implement the new coverage level on April 1, 2024, for medical insurance going forward.

However, what was not addressed in June 2023 was the approach for Dental and Vision Health Benefits. The allocation of funds previously provided to SBFCA's employees allowed the flat dollar amount of benefit to be utilized for medical, dental and vision benefits. By changing the approach for medical and removing the fixed dollar amount of benefit, the Agency still needed to address whether it will provide a Dental and Vision Insurance Benefit, and if so, how much.

To ensure consistency with the previously provided benefits, staff recommends that the Agency provide the following level of benefit for Dental and Vision coverages:

- For Dental Insurance: 100% of the employee's premiums and 85% of dependent premiums for the AmeritasDental PPO 5000
- For Vision Insurance: 100% of the employee's premiums and 85% of dependent premiums for the VSP Vision Plan

The monthly premiums for the AmeritasDental PPO 5000 plan does not vary by age or employee profile and are as follows for the 24/25 plan year:

Employee - \$63.63

Dependent - \$133.54

Thus, the maximum annual cost to the Agency for Dental insurance for all employees if they enrolled at the highest cost plan with all dependents would be: \$2,125.67

The monthly premiums for the VSP Vision Plan does not vary by age or employee profile and are as follows for the 24/25 plan year:

Employee - \$12.92

Dependent - \$18.38

Thus, the maximum annual cost to the Agency for Vision insurance for all employees if they enrolled at the highest cost plan with all dependents would be: \$342.52

Fiscal Impact

The Board's approval of Staff's recommendation would obligate the Agency to incur, at most, approximately \$2,468.19 in additional annual insurance benefits. This amount could be reduced to the extent that employees do not enroll in the highest cost plans or all eligible dependents. These costs are within the remainder of approved Fiscal Year 2023 – 24 budget and will be included in the budget for Fiscal Year 2024 – 25 to be presented to the Board for final approval June 2024. There would be no net budgetary impact from the Board's approval of the recommended action.



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

March 13, 2024

TO: Board of Directors

FROM: Michael W. Bessette, Executive Director
Seth Wurzel, Budget Manager

SUBJECT: Presentation of Agency Audited Financial Statements and Related Reports for Fiscal Year Ending June 30, 2023

Recommendation

Staff recommends that the Board accept the attached financial statements and related audit reports for filing.

Background

In accordance with the Agency's Joint Exercise of Powers Agreement, the Agency's Board of Directors is to have an independent audit of its financial statements conducted on an annual basis. The purpose of this item is to present the fiscal year ending June 30, 2023 financial statements and related audit results and management report to the Board for its review and acceptance.

As has been the practice in the past, the Agency has engaged the same Auditor as the City of Yuba City. This is the fourth year the City and SBFCA have worked with Badawi & Associates.

The three documents provided to the Board's for its review and acceptance include:

- Basic Financial Statements and Independent Auditors' Report – Fiscal Year Ending June 30, 2023
- Auditors' Communication with Those Charged with Governance - Fiscal Year Ending June 30, 2023
- Auditors' Communication of No Material Weaknesses - Fiscal Year Ending June 30, 2023

Analysis

The Management's Discussion and Analysis (MD&A) included within the Annual Financial Report provides an analysis of the financial activities that took place during Fiscal Year 2022-23 and a review of the accompanying financial statements. The MD&A also lists the major financial highlights of the year. The Board adopted the Agency's first Strategic Plan in February 2016, approved an updated plan in 2018 and most recently updated the plan again in December 2021. Fiscal Year 2022-23 reflected the sixth year with that plan in place and the Board's adopted budget for the year was geared toward the Plan's implementation. In addition to the Board's efforts to implement the Strategic Plan, fiscal year 2022-23 also reflected the balance of the Agency's restoration of the Oroville Wildlife Area, Feasibility Study for Small Communities, and Sediment Removal projects. The following reflects SBFCA's financial activities consistent with the Strategic Plan and the significant emergency work completed in Fiscal Year 2022-23:

- Continued advancement toward completion and closeout of the Feather River West Levee Project Urban Flood Risk Reduction funding agreement with the State of California, Department of Water Resources, including efforts related to Right of Way, encroachments, and financial closeout;

- Significant advancement toward completion of the Federal Increment (Tudor Rd. to Cypress Ave.) to of the Feather River West Levee Project;
- Significant advancement toward completion of the Small Community Feasibility Studies for the communities of Tudor and Sutter;
- Completion of the Oroville Wildlife Area efforts funded by Wildlife Conservation Board grants and significant advancement toward completion of the Oroville Wildlife Area projects funded by California Department of Fish and Wildlife grants;
- Completion of a majority of the Sediment Removal Project with the Star Bend Boat ramp remaining;
- Advancement of environmental review and design work on Sutter Bypass East Levee efforts with funding from the State Department of Water Resources;
- Advancement of design efforts on the Tudor Flood Risk Reduction Project;
- Facilitation of the stand-up of the Feather River West Levee Financing Authority (FRWLFA) during its first year of collection of its Operations and Maintenance Assessment District under the services agreement between SBFCA and FRWLFA; and,
- Advancement of the establishment of the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee to help fund future projects within the basin.

SBFCA's spent nearly \$5.4 million, net of debt service, during the fiscal year advancing capital project work.

As SBFCA works to close out its current projects and receive all remaining reimbursements from grant funded activities completed during the fiscal year, it is preparing to implement projects in the coming years in the rural portions of the Sutter Butte basin. During 2023, SBFCA's fund balances increased, and this increase helps position the Agency to deliver the projects being planned on the Lower Feather River and Sutter Bypass East Levee consistent with Board's adopted Strategic Plan. SBFCA's annual agency budget adopted in June 2023 projects a remaining working capital balance of more than \$28.6 million by June 2025. This cash will be available to advance remaining work within SBFCA's strategic plan.

Audit

SBFCA again has received an unqualified opinion, otherwise known as a "clean audit," from its independent auditor for its Fiscal Year 2022-23 audited financial statements.

With regard to the Auditor's Communications covering the auditor's review of internal controls for the fiscal year audited, the auditor made no findings. Further, there were no prior year findings made by our Audit firm to address with this year's audit.

The Audited Financial Report will be incorporated into the Agency's Continuing Disclosure report filed as part of our ongoing obligations associated with our outstanding Assessment Bonds. Staff will be posting the Continuing Disclosure Report to the Electronic Municipal Market Access website (<https://emma.msrb.org/>) prior to the March 13, 2024 Board meeting.

Fiscal Impact

This is an informational item only, there is no net budgetary impact as a result of the Board's approval of staff's recommendation.

Attachments

(Note – The Annual Agency Audit is not available prior to finalization of the Agenda Packet. The following supporting materials will be available prior to the start of the Board Meeting.)

1. Sutter Butte Flood Control Agency Basic Financial Statements and Independent Auditors' Reports for the year ended June 30, 2023;

2. Sutter Butte Flood Control Agency Auditor's Communication with Those Charged with Governance for the year ended June 30, 2023;
3. Sutter Butte Flood Control Agency Auditor's Communication of No Material Weaknesses for the year ended June 30, 2023.

Sutter Butte Flood Control Agency

Sutter and Butte Counties, California

*Basic Financial Statements
and Independent Auditors' Reports*

For the year ended June 30, 2023

Sutter Butte Flood Control Agency

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
of the Sutter Butte Flood Control Agency
Yuba City, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Sutter Butte Flood Control Agency, California (Agency), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The Agency's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

To the Board of Directors
of the Sutter Butte Flood Control Agency
Yuba City, California
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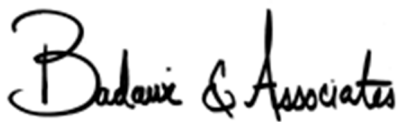
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5-9 and 39-40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The budgetary comparison schedule for the Capital Projects Fund is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedule for the Capital Projects Fund is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule for the Capital Projects Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is stylized, with a large, looped "B" at the beginning.

Badawi and Associates, CPAs
Berkeley, California
March 6, 2024

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**Sutter Butte Flood Control Agency
Annual Financial Report
For the Fiscal Year Ended June 30, 2023**

Management's Discussion and Analysis

This document provides a narrative overview and analysis of the financial activities of the SBFCA for the fiscal year ended June 30, 2023. This document has been prepared by SBFCA management as required by the Governmental Accounting Standards Board Statement No. 34 (GASB No. 34). We encourage readers to consider the information presented here in conjunction with the basic financial statements and accompanying notes to those financial statements.

I. Financial Highlights

Major Milestones

- This fiscal year was SBFCA's thirteenth year of collecting assessments associated with the Sutter Butte Flood Control Agency Assessment District (the "Assessment District"). During the Fiscal Year SBFCA received 104.67% of budgeted assessment revenues.
- SBFCA's primary activities this year with respect to its budget were related to the advancement and completion of a substantial portion of the Sediment Removal, Oroville Wildlife Area, and Feather River West Levee Project Urban Flood Risk Reduction projects. In addition, the Agency advanced efforts related to the following:
 - Continued advancement toward completion and closeout of the Feather River West Levee Project Urban Flood Risk Reduction funding agreement with the State of California, Department of Water Resources, including efforts related to Right of Way, encroachments, and financial closeout;
 - Significant advancement toward completion of the Federal Increment (Tudor Rd. to Cypress Ave.) to of the Feather River West Levee Project;
 - Significant advancement toward completion of the Small Community Feasibility Studies for the communities of Tudor and Sutter;
 - Completion of the Oroville Wildlife Area efforts funded by Wildlife Conservation Board grants and significant advancement toward completion of the Oroville Wildlife Area projects funded by California Department of Fish and Wildlife grants;
 - Completion of a majority of the Sediment Removal Project with the Star Bend Boat ramp remaining;
 - Advancement of environmental review and design work on Sutter Bypass East Levee efforts with funding from the State Department of Water Resources;
 - Advancement of design efforts on the Tudor Flood Risk Reduction Project;
 - Facilitation of the stand-up of the Feather River West Levee Financing Authority (FRWLFA) during its first year of collection of its Operations and Maintenance Assessment District under the services agreement between SBFCA and FRWLFA; and,
 - Advancement of the establishment of the Sutter Butte Basin Regional Levee Improvement Program Development Impact Fee to help fund future projects within the basin.
- During the fiscal year, SBFCA spent nearly a total of \$6.27 million, net of debt service, advancing capital project and related work.

This fiscal year saw a decrease in financial activities for SBFCA, as expenditures decreased by 41% and revenues increased by 7.6% over last fiscal year. Despite these decrease in expenditures, fiscal year 2022-23 remained a very active year for the Agency as evidenced by the number of different projects and strategic planning efforts advanced by the Agency.

Financial Activities

- While SBFCA invested grant and assessment revenues and carried over fund balances into projects, SBFCA's net position increase by \$8,524,646 in fiscal year 2022-23. This increase in net position was due to a result in additional grant awards for efforts on the Sutter Bypass East Levee and collection of revenues from the previous

- year's near completion of construction activities for FRWLP1.
- Total assets increased by \$6,455,108 due to an increase collection of reimbursables from previous fiscal year work.
- Total liabilities decreased by \$2,069,538 due a combined a decrease in current liabilities and bonds payable at the end of the fiscal year.

II. Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to SBFCA's Basic Financial Statements. SBFCA's Basic Financial Statements are composed of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains required supplementary information and other supplemental information in addition to the Basic Financial Statements themselves.

Government-Wide Financial Statements

The *Government-Wide Financial Statements* provide a longer-term view of SBFCA's activities as a whole and comprise of the *Statement of Net Position* and the *Statement of Activities*.

The *Statement of Net Position* provides information about the financial position of SBFCA as a whole, including all capital assets and liabilities on a full accrual basis of accounting. Over time, increases or decreases in SBFCA's net position may serve as one useful indicator of the Agency's overall financial position. In the case of SBFCA, total liabilities exceeded assets by \$ 39,947,003 as of the close of the fiscal year. When comparing SBFCA's Net Position to the fiscal year ending June 30, 2022, there has been an increase of \$8,524,646 which primarily represents the retirement of accounts.

The *Statement of Activities* provides information about how SBFCA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, the revenues and all of the expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The Government-Wide Financial Statements are prepared on the full accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

In the *Statement of Net Position* and the *Statement of Activities*, all of SBFCA's activities are considered to be governmental activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. SBFCA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, particularly those conditions related to its grants. All of the funds of SBFCA are governmental funds and the Fund Financial Statements provide detailed information about all of SBFCA's funds.

Governmental Funds - All of SBFCA's services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at fiscal year-end that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of SBFCA's general operations. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance SBFCA's activities. Capital assets and other long-lived assets are not presented in the Governmental Fund Financial Statements. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and Governmental Funds Financial Statements are explained in a reconciliation schedule following each Governmental Fund financial statement.

SBFCA currently maintains two major governmental funds: The *General Fund* and *Capital Projects Fund*. Information is presented separately for each of the funds in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances.

SBFCA adopts an annual appropriated budget for both of its funds. A budgetary comparison schedule has been provided for the General Fund and the Capital Projects Fund to demonstrate compliance with this budget and is included within the Required Supplementary Information and Other Supplemental Information, respectively.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *Required Supplementary Information* and *Other Supplemental Information* with budgetary comparisons to demonstrate compliance with approved budgets.

III. Government-Wide Financial Analysis

As noted earlier, SBFCA's liabilities exceed assets by (\$39,947,003) at the end of fiscal year 2022-23. This amount is an increase from the fiscal year ended June 30, 2022 balance of (\$48,471,649). The key element to this increase is related to an increase in SBFCA's assets, primarily its cash and investments. During the year, SBFCA received reimbursements through its grant funded projects thereby increasing its liquid assets.

In fiscal year 2011-12, SBFCA implemented a policy to capitalize the work completed for its FRWLP in accordance with its Capital Asset policy implemented during that fiscal year. Previously, the vast majority of SBFCA's Net Position was invested in capital projects as Construction in progress. With the completion of construction and the assumption of operations and maintenance responsibilities of the completed works last fiscal year, SBFCA's remains in a negative net position when considering outstanding bonds payable. However, SBFCA continues to implement projects and Construction in progress increased by \$1,259,501. SBFCA's Net Position is expected to increase, but only nominally, as SBFCA advances additional projects while at the same transferring the underlying fee interest in the properties where prior improvements were been completed, to the State of California (specifically the Sacramento San Joaquin Drainage District). While there are certain regulatory and compliance hurdles to overcome related to the transfer of rights of way, the full acceptance and transfer process is expected to take place in fiscal year 2023-24.

IV. Fund Financial Statements Analysis

SBFCA uses fund accounting to ensure and demonstrate compliance with finance-related legal and grant requirements.

Governmental Funds - The focus of the SBFCA's Governmental Fund Financial Statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing SBFCA's financing requirements. In particular, any unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

On June 30, 2023, SBFCA's governmental funds reported combined fund balances of \$28,574,355, an increase of \$5,057,149 in comparison to the fund balance as of June 30, 2022. This increase is primarily due to late receipt of payments from the State for completed construction prior to June 30, 2022. The delay of these payments was due to extended review times by DWR of costs incurred. No advanced funding was received for any project during the fiscal year.

The General Fund is the main operating fund of SBFCA. On June 30, 2023, the Fund Balance was \$6,294,235 and almost all of this was unassigned fund balance. A useful measurement of the fund liquidity is a comparison between total expenditures and the ending fund balance. Expenditures for the fiscal year were \$763,338, approximately 12.1% of the ending fund balance. The Unassigned fund balance was 824.6% of current fiscal year expenditures. The Agency expects that, with the completion of Capital Projects, fewer operating costs will be able to be recovered from granting agencies and the General Fund balance will decline as the Agency completes the closeout activities related to its projects. At that time, the Agencies staffing levels and operating funding budget is expected to stabilize and be adjusted to match regularly available operating fund revenues.

The Capital Projects Fund is the main project fund of SBFCA and supports SBFCA's capital programs. The active programs during Fiscal Year 2022-23 include the US Army Corps of Engineers Sutter Basin Flood Risk Management Project, the FRWLP, and the Oroville Wildlife Area Flood Stage Reduction and Restoration projects, the Small Community Grant program, Sediment Removal Project, Sutter Bypass East Levee Project, Tudor Flood Risk Reduction Project, and Compliance and Accreditation Program.

The Capital Project's Fund Balance on June 30, 2023 was \$22,280,120. The total expenditures of the fund were \$10,955,979. These represent 49.2% of the ending fund balance, indicating that liquidity is low. This is to be expected as SBFCA advanced much of the Capital Outlay work while waiting on reimbursements from its State grants. Finally, it is expected that construction related expenditures for the next fiscal year, 2023-24 are expected to be lower than prior years and construction is completed and the agency focuses more of its expenditures on planning and design for future project construction after 2024.

V. Budgetary Highlights

A budgetary to actual comparison for the General Fund is included in the Required Supplementary Information. Total Actual Expenditures were \$763,338 (68.9%) under the final budget. SBFCA is able to allocate some of its costs for Salaries and benefits to its Capital Projects Fund and receive reimbursement for these costs. Throughout the fiscal year, this allocation was greater than originally budgeted resulting in less General Fund expenditures than original budgeted. Actual revenues were in excess of the final budgeted revenues by \$135,285 as a result of unbudgeted interest income.

A budgetary to actual comparison for the Capital Fund is also included as Other Supplemental Information. Total Actual Capital revenues were \$15,894,181 (80.82%) over the final budget of \$8,790,001. This is due to the extended time frame related to the closeout of the FRWLP Project and the resulting delay of revenues from the associated grant. Total actual expenditures were \$10,955,979 which was \$2,610,565 (31.3%) higher than the final budget due to construction and design contractor work being completed after June 30, 2022 on the OWA, FRWLP, Sediment Removal programs thus increasing expenditures in FY 2022-23.

VI. Capital Asset and Long-Term Obligations

Capital Assets – During fiscal year 2011-12, SBFCA implemented its capital asset policy. This fiscal year, SBFCA continued its significant levee improvement investments and increased its capital assets by \$1,259,501. As previously discussed, the majority of these capital assets represent Construction in progress. Through June 30, 2023, SBFCA was in the middle of a construction season and had finalized construction for the Oroville Wildlife Area Project, Sediment Removal Project, and FRWLP Phase 1.

Long-Term Obligations – In May 2013, SBFCA issued its first series of Assessment Revenue Bonds in the amount of \$41,035,000 for capital improvements. As of June 30, 2023 the outstanding balance of the bonds payable was \$37,315,000. During the fiscal year SBFCA made interest payments on the outstanding debt amount totaling \$1,606,263 and retired \$680,000 in principal.

In June 2015, SBFCA issued its second series of Assessment Revenue Bonds in the amount of \$47,070,000 for capital improvements. As of June 30, 2023, the outstanding balance of the bonds payable remained \$40,585,000. During the fiscal year SBFCA made interest payments on the outstanding debt amount totaling \$1,801,344 and retired \$1,365,000 in principal.

VII. Economic Factors and Next Year's Budget

The sole local source of funding for SBFCA's efforts during the Fiscal Year was the Assessment District. During the Fiscal Year, SBFCA worked to implement a new Development Impact Fee program, however, this program will not be effective until April 2024. SBFCA's Assessment District is not tied to property values, it is a direct charge on the property tax roll, and assessment revenue is somewhat insulated from local economic factors that might impact home values. To the extent local economic factors impact a property owner's ability to pay the assessment, SBFCA's revenues and future ability to service this debt could be impacted. The property assessment non-collection rate for this thirteenth year of collection is very low. SBFCA's assessment revenues received were approximately 1.64% less than the approved property assessment roll levied in Sutter and Butte Counties.

As previously noted, as part of SBFCA's implementation of its Strategic Plan, SBFCA has adopted a 3-Year budget that continues the primary goal of completing and closing out the FRWLP project while at the same time prioritizing the remaining work needed to provide flood protection to the basin with the remaining resources available. The budget for fiscal year 2022-23 was developed assuming that SBFCA completes the remaining FRWLP construction, advances the Oroville Wildlife Area Project and works to advance the closeout efforts of the DWR Urban Flood Risk Reduction Grant. These activities have extended into 2023-24. In addition, SBFCA continues to work to advance additional flood risk reduction projects in the rural portions of the basin. This includes continuing its local sponsor obligations as part of the Project Partnership Agreement with the USACE to construct the remaining increment of the Sutter Basin Flood Risk Management Project and advancing funding efforts to advance the design and environmental review for the Sutter Bypass East Levee and Tudor Flood Risk Reduction Projects. SBFCA management expects to continue to work with its Board of Directors to implement the adopted goals and objectives of SBFCA's Strategic Plan.

VIII. Requests for Information

This financial report is designed to provide a general overview for all those with an interest in SBFCA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Sutter Butte Flood Control Agency, Post Office Box M, Yuba City, CA 95992.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Sutter Butte Flood Control Agency
Statement of Net Position
June 30, 2023

ASSETS

Current assets:	
Cash and investments	\$ 27,738,092
Cash and investments with fiscal agent	1,479,684
Receivables:	
Accounts	80,661
Interest	6,061
Total current assets	<u>29,304,498</u>
Noncurrent assets:	
Capital assets:	
Construction in progress	<u>13,243,094</u>
Total capital assets, net	<u>13,243,094</u>
Total noncurrent assets	<u>13,243,094</u>
Total assets	<u><u>42,547,592</u></u>

LIABILITIES

Current liabilities:	
Accounts payable	730,143
Interest payable	828,519
Bonds payable, due within one year	<u>2,145,000</u>
Total current liabilities	<u>3,703,662</u>
Noncurrent liabilities:	
Bonds payable, due in more than one year	<u>78,790,933</u>
Total noncurrent liabilities	<u>78,790,933</u>
Total liabilities	<u><u>82,494,595</u></u>

NET POSITION

Net investment in capital assets	(67,692,839)
Unrestricted	<u>27,745,836</u>
Net position	<u><u>\$ (39,947,003)</u></u>

Sutter Butte Flood Control Agency
Statement of Activities
For the year ended June 30, 2023

	Program Revenues				Net (Expense)
					Revenue
					and Changes
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Total	in Net Position
Governmental activities					Governmental Activities
Flood protection	\$ 5,007,209	\$ 750,000	\$ 14,500,363	\$ 15,250,363	\$ 10,243,154
Interest on long-term debt	3,244,611	-	-	-	(3,244,611)
Total governmental activities	\$ 8,251,820	\$ 750,000	\$ 14,500,363	\$ 15,250,363	6,998,543
General Revenues:					
					Investment earnings 297,988
					Other 1,228,115
					Total general revenues 1,526,103
					Change in net position 8,524,646
					Net position - beginning of year (48,471,649)
					Net position - end of year \$ (39,947,003)

See accompanying Notes to Basic Financial Statements.

FUND FINANCIAL STATEMENTS

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Sutter Butte Flood Control Agency
Balance Sheet - Governmental Funds
June 30, 2023

	General Fund	Capital Projects Fund	Total
ASSETS			
Cash and investments	\$ 6,385,400	\$ 21,352,692	\$ 27,738,092
Cash and investments with fiscal agent	-	1,479,684	1,479,684
Receivables:			
Accounts	-	80,661	80,661
Interest	-	6,061	6,061
Total assets	\$ 6,385,400	\$ 22,919,098	\$ 29,304,498
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	91,165	638,978	730,143
Total liabilities	91,165	638,978	730,143
Fund Balances:			
Restricted for capital projects	-	22,280,120	22,280,120
Unassigned	6,294,235	-	6,294,235
Total fund balances	6,294,235	22,280,120	28,574,355
Total liabilities, deferred inflows of resources, and fund balances	\$ 6,385,400	\$ 22,919,098	\$ 29,304,498

See accompanying Notes to Basic Financial Statements.

Sutter Butte Flood Control Agency

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2023

Fund Balances of Governmental Funds	\$ 28,574,355
Amounts reported for governmental activities in the Statement of Net Position are different	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.	13,243,094
In the governmental funds balance sheet, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of net position, it is recognized in the period that it is incurred.	(828,519)
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the funds.	
Long term debt due within one year	(2,145,000)
Long term debt due in more than one year	<u>(78,790,933)</u>
Net Position of Governmental Activities	<u><u>\$ (39,947,003)</u></u>

Sutter Butte Flood Control Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2023

	General Fund	Capital Projects Fund	Total
REVENUES:			
Intergovernmental	\$ -	\$ 8,578,926	\$ 8,578,926
Assessment revenue	750,000	5,921,437	6,671,437
Investment earnings	132,285	165,703	297,988
Other	-	1,228,115	1,228,115
Total revenues	882,285	15,894,181	16,776,466
EXPENDITURES:			
Current:			
Operational:			
Telephone	2,000	-	2,000
Postage and freight	165	-	165
Forms and supplies	381	-	381
Printing and binding	829	-	829
Professional services	272,176	-	272,176
Salaries and benefits	389,529	-	389,529
Dues and subscriptions	32,963	-	32,963
Rentals	24,981	-	24,981
Insurance	40,314	-	40,314
Capital:			
USACE Sutter Basin FRM Project	-	25,427	25,427
State EIP Funded	-	1,195,524	1,195,524
Local EIP Funded	-	197,434	197,434
Regional Flood Management Planning - State Funded	-	27,103	27,103
ULOP Certification	-	27,988	27,988
Flood Systems Repair Project - State Funded	-	19,923	19,923
Sediment Removal	-	45,540	45,540
Oroville Wildlife Area Planning	-	329,853	329,853
Local Funded Projects	-	67,086	67,086
Capital outlay	-	3,567,494	3,567,494
Debt service:			
Principal	-	2,045,000	2,045,000
Interest and fiscal charges	-	3,407,607	3,407,607
Total expenditures	763,338	10,955,979	11,719,317
Net change in fund balances	118,947	4,938,202	5,057,149
FUND BALANCES:			
Beginning of year	6,175,288	17,341,918	23,517,206
End of year	\$ 6,294,235	\$ 22,280,120	\$ 28,574,355

*Sutter Bypass East Levee and Tudor Flood Risk Reduction project expenditures are included in capital outlay.

See accompanying Notes to Basic Financial Statements.

Sutter Butte County Flood Control Agency
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 5,057,149
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation expense, or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Capital outlay	1,259,501
----------------	-----------

In the governmental funds balance sheet, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of net position, it is recognized in the period that it is incurred. This amount represents the change in interest payable.

21,868

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt related items:

Repayment of debt principal	2,045,000
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Original issue premiums on long-term debt issuances increases the proceeds and are reported as other financing sources in the governmental funds, but are deferred and amortized throughout

Amortization of original issue premium	141,128
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Change in Net Position of Governmental Activities	\$ 8,524,646
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Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Sutter Butte Flood Control Agency (Agency) is a joint powers agency formed in December 2007 by the Counties of Butte and Sutter, the Cities of Biggs, Gridley, Live Oak, and Yuba City, and Levee Districts No. 1 and No. 9. The Agency has the power and authority to plan, finance, acquire, construct, and improve regional facilities for the purpose of providing flood protection to the Yuba City/Sutter Basin. The Agency is governed by a 13-member Board comprised of elected officials from the member cities, counties, and levee districts.

The Agency's Boundaries encompass approximately 34,200 properties in Butte and Sutter Counties.

B. Basis of Presentation and Accounting Measurement Focus

The accounts of the Agency are organized and operated on the basis of funds, each of which is defined as a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenue, and expenditures. Agency resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements – The Agency's Government-wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the Agency. The Agency has no Business-type or Fiduciary Activities.

The Government-wide financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all the Agency's assets and liabilities, including capital assets and long-term debt, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. In the Statement of Activities, interfund transfers have been eliminated.

Major Funds – An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the Agency or meets the following criteria:

1. Total assets, liabilities, revenues or expenditures/expenses of that individual fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Agency has no enterprise funds as of June 30, 2023.

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation and Accounting Measurement Focus, Continued

Governmental Fund Financial Statements – Governmental Fund Financial Statements include a Balance Sheet, and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the difference in fund balances as presented in these statements to the net position presented in the Government-wide financial statements. The Agency has presented all funds as major funds.

The following are descriptions of the major governmental funds:

- The **General Fund** is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the Agency that are not accounted for through other funds.
- The **Capital Projects Fund** is used to account for capital project activities of the Agency.

All governmental funds are accounted for on a spending or “current financial sources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end, except for grant revenues which are 9 months) are recognized when due. Expenditures are recorded in the accounting period in which the related fund liability is incurred except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

A reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the difference created by the integrated approach.

C. Use of Restricted/Unrestricted Net Position

When an expense is incurred for a purpose for which both restricted and unrestricted net position are available, the Agency’s policy is to apply restricted net position first.

D. Cash and Investments

The Agency pools cash resources from all funds with the City of Yuba City’s cash in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. The Agency also has two bank accounts with Wells Fargo Bank which are used for payroll and payroll taxes, and a state grant.

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Investment Valuation

The Agency has implemented GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools. Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

Interest earned on investments is allocated to all funds on the basis of quarterly cash and investment balances.

F. Capital Assets

Capital assets are those assets acquired for general governmental purposes and are reported in the governmental activities in the Government-wide Financial Statements. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed. All purchased capital assets are recorded at historical or estimated historical cost if actual cost is not available. Donated capital assets are valued at their estimated fair value on the date received. Capital assets are defined by the Agency as assets with an estimated useful life of more than one year and a cost according to the table below:

Class	Capitalization Threshold
Land	\$ -
Land Improvements	\$ 100,000
Buildings	\$ 100,000
Building Improvements	\$ 100,000
Infrastructure: Pavement, Bridges, All Other	\$ 100,000
Equipment, Furniture, & Vehicles	\$ 5,000
Intangible Assets	\$ 5,000
Capital Lease Property	\$ 5,000
Leasehold Improvements	\$ 100,000
Works of Art/Historical Treasures	\$ -
Construction in Progress for Year End Reporting	Projects to exceed \$100,000 at completion

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. *Net Position and Fund Equity*

In the Government-wide Financial Statements, net position is classified in the following categories:

Net investment in capital assets - This amount is the portion of net position, which is represented by the current net book value of the Agency's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of governments.

Unrestricted Net Position - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position" as defined above.

H *Fund Balances*

Fund balances are divided into five classifications based primarily on the extent to which the Agency is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of interfund loans.

Restricted - Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (Agency ordinances).

Enabling legislation authorizes the Agency to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the Agency can be compelled by an external party-such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specified by the legislation.

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (resolution) of the Board of Directors. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process.

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Fund Balances, Continued

Constraints imposed on the use of committed amounts are imposed by the Board of Directors, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned - Amounts in the assigned fund balance classification are intended to be used by the Agency for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board of Directors or an Agency official delegated that authority by Agency ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The Agency applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

I. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Interfund Transactions

Quasi-external transactions are accounted for as revenues or expenditures (governmental fund types). Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recovered as a reduction in expenditures in the user fund. All other interfund transactions are reported as transfers.

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. *New Pronouncements*

In 2023, the Agency adopted the new accounting standards to conform to the following Governmental Accounting Standards Board Statements:

- *GASB Statement No. 91, Conduit Debt Obligations* – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The City updated disclosures relating to conduit debt obligations to meet the requirements of this statement.
- *GASB Statement 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this statement did not apply to the City for the current fiscal year.
- *GASB Statement No. 96, Subscription-based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement did not apply to the City for the current fiscal year.

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

2. CASH AND INVESTMENTS

The Agency maintains a cash and investment pool with the City of Yuba City (City) for all funds. In addition, the Agency has two accounts with Wells Fargo Bank for payroll and payroll taxes and a state grant.

The investments made by the City are limited to those allowable under State statutes as incorporated into the Agency's Joint Powers Agreement, which is more conservative than that allowed by State statute.

See the City's Comprehensive Annual Financial Report for disclosures related to the pooled cash and investments and the related interest rate risk, credit risk, custodial risk, and concentration of risk.

A. Summary of Cash and Investments

The cash and investments are classified in the financial statements as shown below:

Cash and investments	\$ 27,738,092
Cash and investments with fiscal agent	1,479,684
Total cash and investments	<u>\$ 29,217,776</u>

Cash and investments held by the Agency at June 30, 2023, consisted of the following:

Deposits with City of Yuba City	\$ 27,738,092
Investments	1,479,684
Total cash and investments	<u>\$ 29,217,776</u>

The Agency categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on valuation inputs used to measure the fair value of an asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Agency had investments in the City's Investment Pool, however, this external pool is not measured under Level 1, 2, or 3.

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

B. Investments Authorized by the California Government Code

The table below identifies the investment types that are authorized for the Agency by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The Agency has not adopted a formal investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
City Cash Pool	None	None	None

C. Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the Agency's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Money Market Funds	N/A	None	None
State Investment Fund (LAIF)	N/A	None	None

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

D. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Agency manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flows and liquidity needed for operations.

Information about the sensitivity of the fair values of the Agency's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Agency's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)	
		12 Months or Less	More Than 12 Months
Yuba City Cash Pool	\$ 27,738,092	\$ 27,738,092	\$ -
Held by Bond Trustees:			
Money Market Funds	1,479,684	1,479,684	-
Total	\$ 29,217,776	\$ 29,217,776	\$ -

E. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The Agency's investments (including investments held by bond trustees) do not include any investments that are highly sensitive to interest rate fluctuations.

F. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Agency's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Ratings as of Fiscal Year End	
			AAA	Not Rated
Yuba City Cash Pool	\$ 27,738,092	N/A	\$ -	\$ 27,738,092
Held by Bond Trustees:				
Money Market Funds	1,479,684	N/A	1,479,684	-
Total	\$ 29,217,776		\$ 1,479,684	\$ 27,738,092

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

G. Concentration of Credit Risk

The California Government Code contains limitations on the amount that can be invested in any one issuer. There are no investments (other than the money market funds) that represent 5% or more of total Agency investments.

H. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The District had no deposits with financial institutions in excess of federal depository insurance limits as of June 30, 2023.

3. RISK MANAGEMENT

A. Custodial Credit Risk

Coverage is maintained with the Special District Risk Management Authority with coverage limits of \$10,000,000 per occurrence.

B. Workers' Compensation Insurance

Coverage is maintained with Special District Risk Management Authority.

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Capital assets, not depreciated				
Construction in progress	\$ 11,983,598	\$ 1,259,496	\$ -	\$ 13,243,094
Total capital assets, not depreciated	11,983,598	1,259,496	-	13,243,094
Capital assets, net	\$ 11,983,598	\$ 1,259,496	\$ -	\$ 13,243,094

5. LONG-TERM DEBT

A. Bonds Payable

Assessment Revenue Bonds Series 2013

On May 16, 2013, the Agency issued \$41,035,000 of Assessment Revenue Bonds bearing interest between 3.0% and 5.0% and payable semi-annually on October 1 and April 1, maturing on October 1, 2043. These bonds were used to finance the construction of certain public capital improvements related to levee improvements and flood control, to provide funds for a reserve fund for the bonds, to provide capitalized interest through October 1, 2013, and to pay costs of issuance of the bonds. The outstanding principal balance of the 2013 Assessment Revenue Bonds at June 30, 2023 was \$37,315,000.

The scheduled annual minimum debt service requirements at June 30, 2023 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 715,000	\$ 1,571,388	\$ 2,286,388
2025	750,000	1,534,763	2,284,763
2026	790,000	1,496,263	2,286,263
2027	830,000	1,455,763	2,285,763
2028	1,395,000	1,400,138	2,795,138
2029-2033	8,095,000	5,865,925	13,960,925
2034-2038	9,965,000	3,978,994	13,943,994
2039-2043	12,065,000	1,786,100	13,851,100
2043-2044	2,710,000	54,200	2,764,200
	<u>\$ 37,315,000</u>	<u>\$ 19,143,534</u>	<u>\$ 56,458,534</u>

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

5. LONG-TERM DEBT, Continued

A. Bonds Payable, Continued

Assessment Revenue Bonds Series 2015

On May 28, 2015, the Agency issued \$47,070,000 of Assessment Revenue Bonds bearing interest between 3.375% and 5.000% and payable semi-annually on October 1 and April 1, maturing on October 1, 2045. These bonds were used to refund the Rabobank loan, finance the construction of certain public capital improvements related to levee improvements and flood control, to provide funds for a reserve fund for the bonds in the form of a debt service reserve surety, to pay capitalized interest on the bonds through October 1, 2015, and to pay costs of issuance of the bonds. The bonds are secured on parity with the 2013 Bonds. The outstanding principal balance of the 2015 Assessment Revenue Bonds at June 30, 2023 was \$40,585,000.

The scheduled annual minimum debt service requirements at June 30, 2023 are as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 1,430,000	\$ 1,731,469	\$ 3,161,469
2025	1,505,000	1,658,094	3,163,094
2026	1,575,000	1,581,094	3,156,094
2027	1,655,000	1,500,344	3,155,344
2028	1,215,000	1,428,594	2,643,594
2029-2033	6,915,000	6,320,391	13,235,391
2034-2038	8,320,000	4,877,156	13,197,156
2039-2043	10,515,000	2,674,000	13,189,000
2044-2046	7,455,000	455,300	7,910,300
	<u>\$ 40,585,000</u>	<u>\$ 22,226,442</u>	<u>\$ 62,811,442</u>

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

5. LONG-TERM DEBT, Continued

B. Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Governmental activities:					
Bonds payable	\$ 79,945,000	\$ -	\$ (2,045,000)	\$ 77,900,000	\$ 2,145,000
Original issue premium	3,177,061	-	(141,128)	3,035,933	-
Governmental activities					
Long-term liabilities	<u>\$ 83,122,061</u>	<u>\$ -</u>	<u>\$ (2,186,128)</u>	<u>\$ 80,935,933</u>	<u>\$ 2,145,000</u>

6. COMMITMENTS AND CONTINGENCIES

A. Lawsuits

The agency is not a defendant in any lawsuits as of June 30, 2023.

B. Federal and State Grant Programs

The Agency participates in a number of State programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the Agency may be required to reimburse the grantor government. As June 30, 2023 the Agency believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the Agency.

As of June 30, 2023, in the opinion of Agency management and legal counsel, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the Agency.

Sutter Butte Flood Control Agency

Notes to Basic Financial Statements

For the year ended June 30, 2023

6. COMMITMENTS AND CONTINGENCIES, Continued

C. Construction Commitments

In September of 2022, the Agency entered into a construction contract with Eschelman Construction Company for work associated with Second Street Vegetation Removal and Fence Installation Project. The original contract executed in September 2022 of \$732,050 was amended in February 2023 to bring the total contract budget to \$766,733.

7. OPERATING LEASE

In April 2019, the Agency executed a new Lease Agreement with Yuba River Molding & Millworks for office space located at 1445 Butte House Road, Yuba City, CA effective June 1, 2019. The lease terms extends through June 30, 2024.

8. EMPLOYEE RETIREMENT PLANS

The Agency offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all eligible employees, as defined by the plan and the Board of Directors. As of June 30, 2023, the Executive Director and the Administrative Analyst are the only eligible employees. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, specific in-service distributions, or unforeseeable emergency. In combination with the deferred compensation plan, the Agency also provides its employees a defined contribution plan created in accordance with Internal Revenue Code Section 401(a). The plan is available to all eligible employees, as defined by the plan. The Agency makes matching contributions under the 457 plan or defined benefit plan on behalf of each participant pursuant to terms of the plan and employment agreements specifying the amount of contribution. The balance in each employee's account is not available to the employee until normal retirement age, late retirement, disability retirement, death, or termination.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust. For the deferred compensation plan, this is the Sutter Butte Flood Control Agency 457(b) Deferred Compensation Plan and Trust. For the profit sharing plan, this is the Sutter Butte Flood Control Agency Profit Sharing Plan and Trust. The assets in these trusts are held by TD Ameritrade and are for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Sections 457 and 401 (a). The third-party administrator is Bidwell Consulting. Accordingly, these assets have been excluded from the accompanying financial statements.

During the year, the Agency paid \$91,227 in contributions (pension expense) to the plan.

REQUIRED SUPPLEMENTARY INFORMATION

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Sutter Butte Flood Control Agency
Note to Required Supplementary Information
For the year ended June 30, 2023

1. BUDGETARY CONTROL AND ACCOUNTING

The Agency follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In May and/or June of each year, the Executive Director submits to the Board of Directors a proposed operating budget for the following fiscal year. This budget includes proposed expenditures by fund and the revenues expected to finance them.
2. The budget is legally enacted through passage of a resolution before July 1.
3. The Executive Director is authorized to transfer budgeted amounts; however, any revisions which alter total expenditures of any fund must be approved by the Board of Directors
4. Formal budgetary integration is employed as management control device during the year for the General Fund.
5. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the fiscal year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and reappropriated amounts for prior year encumbrances. The Executive Director must approve any adjustments to the budget.
6. Operating Fund appropriations lapse at the end of the fiscal year. Capital Fund appropriations carry-over at the end of the fiscal year per the budget resolution.
7. Budgeted appropriations for the various governmental funds become effective each July 1. The Board of Directors may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level.

The accompanying Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for the General Fund presents comparisons of the legally-adopted budget with actual data on a basis consistent with accounting principles generally accepted in the United States of America.

Sutter Butte Flood Control Agency
Required Supplementary Information
For the year ended June 30, 2023

1. BUDGETARY CONTROL AND ACCOUNTING, Continued

Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual for the General Fund

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Assessment revenue	\$ 750,000	\$ 750,000	\$ 750,000	\$ -
Investment earnings	-	-	132,285	132,285
Total revenues	<u>750,000</u>	<u>750,000</u>	<u>882,285</u>	<u>132,285</u>
EXPENDITURES:				
Current:				
Operational:				
Telephone	4,500	4,500	2,000	2,500
Postage and freight	2,250	2,250	165	2,085
Forms and supplies	2,250	10,900	381	10,519
Printing and binding	3,000	3,000	829	2,171
Professional services	657,533	657,533	272,176	385,357
Salaries and benefits	365,295	365,295	389,529	(24,234)
Dues and subscriptions	1,000	1,000	32,963	(31,963)
Rentals/Utilities	46,950	46,950	24,981	21,969
Insurance	15,918	30,000	40,314	(10,314)
Total expenditures	<u>1,098,696</u>	<u>1,121,428</u>	<u>763,338</u>	<u>358,090</u>
Net change in fund balances	<u>(348,696)</u>	<u>(371,428)</u>	<u>118,947</u>	<u>490,375</u>
FUND BALANCES:				
Beginning of year	6,175,288	6,175,288	6,175,288	-
End of year	<u>\$ 5,826,592</u>	<u>\$ 5,803,860</u>	<u>\$ 6,294,235</u>	<u>\$ 490,375</u>

OTHER SUPPLEMENTARY INFORMATION

Sutter Butte Flood Control Agency
Other Supplementary Information
For the year ended June 30, 2023

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL FOR THE CAPITAL PROJECTS FUND**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 3,040,001	\$ 8,578,926	\$ 5,538,925
Assessment revenues	5,750,000	5,750,000	5,921,437	171,437
Interest revenues	-	-	165,703	165,703
Other	-	-	1,228,115	1,228,115
Total revenues	5,750,000	8,790,001	15,894,181	7,104,180
EXPENDITURES:				
Capital:				
USACE Sutter Basin FRM Project	20,165	-	25,427	(25,427)
State EIP Funded	1,060,200	26,600	1,195,524	(1,168,924)
Local EIP Funded	150,000	6,000	197,434	(191,434)
Regional Flood Management Planning - State Funded	120,000	127,000	27,103	99,897
ULOP Certification	50,000	-	27,988	(27,988)
Flood Systems Repair Project - State Funded	57,568	-	19,923	(19,923)
Stakeholder Management	-	-	-	-
Sediment Removal	100,000	195,000	45,540	149,460
Veg Planting	370,000	186,542	329,853	(143,311)
Local Funded Projects	93,739	49,820	67,086	(17,266)
Capital outlay	3,789,708	2,301,845	3,567,494	(1,265,649)
Debt service:				
Principal	2,045,000	2,045,000	2,045,000	-
Interest and fiscal charges	3,407,607	3,407,607	3,407,607	-
Total expenditures	11,263,987	8,345,414	10,955,979	(2,610,565)
Net change in fund balances	(5,513,987)	444,587	4,938,202	4,493,615
FUND BALANCES:				
Beginning of year	17,341,918	17,341,918	17,341,918	-
End of year	<u>\$ 11,827,931</u>	<u>\$ 17,786,505</u>	<u>\$ 22,280,120</u>	<u>\$ 4,493,615</u>

*Sutter Bypass East Levee and Tudor Flood Risk Reduction project expenditures are included in capital outlay.

Sutter Butte Flood Control Agency

Yuba City, California

*Auditor's Communication with
Those Charged with Governance*

For the year ended June 30, 2023

March 6, 2024

To the Board of Directors
of the Sutter Butte Flood Control Agency
Yuba City, California

We have audited the financial statements of the Sutter Butte Flood Control Agency (Agency) as of and for the year ended June 2023, and have issued our report thereon dated March 6, 2024. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Agency solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

As part of assisting with the preparation of the Agency's basic financial statements. Management accepted responsibility for those financial statements.

Significant Risks Identified

We have identified the following significant risks:

- *Risk of Management Override of Internal Controls* – A risk of management override of internal controls exists at any entity where management can change or decide not to perform that entity's internal controls.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Agency is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2023. If no significant unusual transactions and no significant accounting policies for which there is a lack of guidance: No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Agency's financial statements relate to:

- Summary of Significant Accounting Policies
- Cash and Investments
- Long-term Debt
- Capital Assets
- Commitments and Contingencies

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Agency's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 6, 2024.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Agency, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and

operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Agency's auditors.

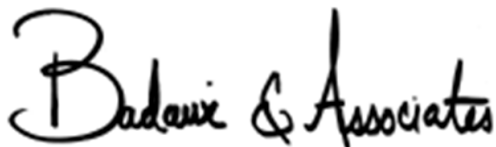
Required Supplementary Information

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Supplementary Information

We were engaged to report on the Capital Projects Budgetary Comparison Schedule which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This report is intended solely for the information and use of the City Council, and management of the Agency and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
March 6, 2024

Sutter Butte Flood Control Agency

Sutter and Butte Counties, California

*Auditors' Communication of No
Material Weaknesses*

For the year ended June 30, 2023

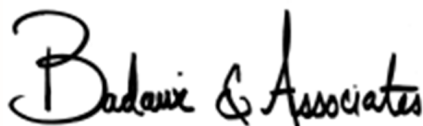
To the Board of Directors
of the Sutter Butte Flood Control Agency
Yuba City, California

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Sutter Butte Flood Control Agency (Agency) as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, others within the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.



Badawi & Associates, CPAs
Berkeley, California
March 6, 2024



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

March 13, 2024

TO: Board of Directors

FROM: Michael Bessette, Executive Director
Seth Wurzel, Budget Manager

SUBJECT: Receive and File Monthly Financial Reports (January 2024)

Recommendation

Staff recommends that the Board receive and file the January 2024 Financial Reports and receive staff's monthly financial report update.

Background

Staff will provide a brief presentation of SBFCA's current financial position and financial activities at the Board meeting and will be prepared to answer any questions. For this report, staff is presenting financial information for January 2024. Staff's oral presentation will cover the financial activities of the Agency through January 2024.

The monthly financial reports include the following information:

- Current Working Capital Position: The reports provide an update as to the liquidity of the Agency and ability to cover current obligations. This information is presented within the monthly financial reports prepared in coordination with Yuba City finance staff. The current and past months' financial reports reflect the financial information as of January 2024. The information presented is compared to the Final Amended Final Budget for 2023/24.

Fiscal Impact

This is an informational item with no fiscal impact.

Attachments


Yuba City Finance Department Memorandum, March 13, 2024 re: Monthly Financial Report: January 2024



**Yuba City
Finance Department
Memorandum**

Date: March 13, 2024

To: Board Members, Sutter Butte Flood Control Agency
Michael Bessette, Executive Director

From: Spencer Morrison 
Agency Treasurer / Yuba City Finance Director

Subject: Monthly Financial Report: January 2024

Attached is the Monthly Financial Report for the Sutter Butte Flood Control Agency for the month of January covering fiscal year 2023-24. This Monthly Financial Report includes the following information prepared by SBFCA:

- Total working capital reconciliation: A reconciliation of total working capital for fiscal year 2023-24 through January 2024 as compared to the amended SBFCA Budget is shown. The statement shows an estimated amount of invoiced expenditures and revenues received to date for fiscal years 2023-24. The total preliminary working capital for the Agency as of January 31, 2024 is \$24,146,072 (**Exhibit A**).

As of the date of this report, the estimated difference between invoiced expenditures and paid expenditures is approximately \$798,883.

For fiscal year 2023-24 through January, the total amount of revenue received through grants from the State of California and assessment collection included in the working capital totals \$767,708. This represents combined Proposition 1E revenue for the EIP/UFRR, Small Communities, Regional Planning, and various OWA projects and Proposition 13 revenue for the Feasibility Study.

SBFCA has drawn the balance of its 2013 Assessment Revenue Bond proceeds.

SBFCA Monthly Financial Report: January 2024
March 13, 2024

Taking into consideration payable expenses, assessment revenues received, State funding received, financing draws, and the repayment of debt, the Total Preliminary Working Capital for the Agency is approximately \$26,272,381.

- Summary statement of cumulative activities for fiscal year 2023-24 through January 2024: This statement shows the expenditures by fund and by the major expenditure category – Operations & Capital (USACE Study, EIP, Stakeholder Management, Regional Planning, Emergency Response Planning, etc.). This statement also shows the amounts received and expended through January 2024, as compared to the Final Amended SBFCA Budget for fiscal year 2023-24. This statement has been reconciled by SBFCA staff to the City of Yuba City's financial system (**Exhibit B**).

Check registers reflecting all checks issued on behalf of the Agency for January 2023 for fiscal year 2023-24 are also included.

This correspondence is informational only. Please review and file.

Thank you.

Exhibit A

SBFCA BUDGET TOTAL WORKING CAPITAL RECONCILIATION

<u>Line Item Description</u>	FY 2023/24		
	Amended 2023-24 Budget [1]	Month Ending January-23	Rec'd/Invoiced to Date
Working Capital Beginning of Period			
Operational Fund 730	5,106,649	6,293,373	6,225,660
Capital Fund 731 - USACE Study	(9,711,179)	(9,925,292)	(9,924,911)
Capital Fund 731 - EIP/UFRR	41,126,895	42,188,278	41,739,271
Capital Fund 731 - Stakeholder	23,267	23,267	23,267
Capital Fund 731 - RFMP	(241,946)	(318,562)	(305,729)
Capital Fund 731 - OWA	652,798	(252,355)	284,244
Capital Fund 731 - ER Planning	(69,991)	(69,991)	(69,991)
Capital Fund 731 - Gridley Bridge	(73,099)	(73,099)	(73,099)
Capital Fund 731 - FSRP	(1,775,291)	(1,776,671)	(1,776,671)
Capital Fund 731 - FRWLP Phase II	(1,049,230)	(852,790)	(912,099)
Capital Fund 731- ULOP	(6,844)	(6,844)	(6,844)
Capital Fund 731 - Small Communities/Sutter Bypass	(1,444,611)	(411,958)	(189,417)
Capital Fund 731 - Flood & Emergency	(604,097)	1,895,697	1,895,697
Capital Fund 731 - Sediment Remova	(4,227,916)	(7,472,243)	(7,700,371)
Capital Fund 731 - FRWLFA	(499,808)	(673,196)	(680,496)
Capital Fund 731 - City of Oroville	-	-	-
Total Beginning of Period	27,205,596	28,567,613	28,528,510
Transfers			
Operational Fund 730			
Capital Fund 731			
Subtotal Capital Fund			
Net Transfers			
Revenues			
Operational Fund 730	750,000	-	722,473
Capital Fund 731			
Capital Fund 731 - USACE Study	-	-	-
Capital Fund 731 - EIP/UFRR (Local)	5,750,000	443,968	374,592
Capital Fund 731 - EIP/UFRR (State)	-	-	-
Capital Fund 731 - RFMP	260,000	-	60,872
Capital Fund 731 - OWA	2,677,623	300,653	353,565
Capital Fund 731 - FRWLP Tudor Phase II	-	-	-
Capital Fund 731 - Small Communities/Sutter Bypass	1,031,104	23,088	159,349
Capital Fund 731 - Sediment Removal	441,078	-	-
Capital Fund 731 - FRWLFA	-	-	-
Capital Fund 731 - City of Oroville	52,525	-	-
Subtotal Capital Fund	10,212,330	767,708	948,378
Total Revenues Operating & Capital	10,962,330	767,708	1,670,851
Expenses			
Operational Fund 730	1,177,346	293,406	399,900
Capital Fund 731			
Capital Fund 731 - USACE Study	-	(737,427)	(730,604)
Capital Fund 731 - EIP/UFRR	45,000	773,817	818,934
Capital Fund 731 - RFMP	140,000	142,949	132,024
Capital Fund 731 - OWA	4,176,320	439,130	492,766
Capital Fund 731 - FSRP	-	-	-
Capital Fund 731 - FRWLP Tudor Phase II	792,845	205,244	510,457
Capital Fund 731 - Small Communities/Sutter Bypass	1,837,759	166,496	456,106
Capital Fund 731 - Sediment Removal	325,000	69,526	69,617
Capital Fund 731 - FRWLFA	49,820	5,526	8,350
Capital Fund 731 - City of Oroville	52,525	7,341	7,341
Subtotal Capital Fund	7,419,269	1,072,603	1,764,991
Total Expenses Operating & Capital	8,596,615	1,366,008	2,164,891
Financing Activities [2]			
Debt Service on Outstanding Debt	(5,447,856)	(3,823,241)	(5,604,295)
Net Financing Activities	(5,452,606)	(3,823,241)	(5,604,295)
Working Capital End of Period			
Operational Fund 730	4,679,303	5,999,968	6,548,233
Capital Fund 731 - USACE Study	(9,711,179)	(9,187,865)	(9,194,307)
Capital Fund 731 - EIP/UFRR	46,831,895	38,035,188	35,690,636
Capital Fund 731 - Stakeholder	23,267	23,267	23,267
Capital Fund 731 - RFMP	(121,946)	(461,511)	(376,882)
Capital Fund 731 - OWA	(845,898)	(390,832)	145,042
Capital Fund 731 - ER Planning	(69,991)	(69,991)	(69,991)
Capital Fund 731 - Gridley Bridge	(73,099)	(73,099)	(73,099)
Capital Fund 731 - FSRP	(1,775,291)	(1,776,671)	(1,776,671)
Capital Fund 731 - FRWLP Phase II	(1,842,075)	(1,058,034)	(1,422,555)
Capital Fund 731- ULOP	(6,844)	(6,844)	(6,844)
Capital Fund 731 - Small Communities/Sutter Bypass	(2,251,266)	(555,366)	(486,173)
Capital Fund 731 - Flood & Emergency	(604,097)	1,895,697	1,895,697
Capital Fund 731 - Sediment Remova	(4,111,838)	(7,541,769)	(7,769,988)
Capital Fund 731 - FRWLFA	(549,629)	(678,723)	(688,847)
Capital Fund 731 - City of Oroville	-	(7,341)	(7,341)
Total End of Period	29,571,311	24,146,072	22,430,175
Working Capital Net of Trustee Funds		\$24,146,072	

[1] Reflects Board Approved Budget June 8, 2022.

[2] Financing Activities are reflected in the Capital Fund EIP Ending Working Capital Balance

Exhibit B

SUTTER BUTTE FLOOD CONTROL AGENCY
COMBINED SUMMARY STATEMENT OF ACTIVITIES
AS OF MONTH ENDING December 2023 OF FY 23/24
2/14/2024

	SBFCA FUNDS - ACTIVITIES TO DATE												SBFCA FUNDS - FY 23/24 BUDGET													
	OPERATIONS (730)						CAPITAL FUND (731)						OPERATIONS (730)						CAPITAL FUND (731)							
	ADMIN a	USACE STUDY	EIP	STAKE- HOLDER	OWA	City of Oroville	FRWLFA	REGIONAL PLANNING	SED REM	Tudor Phase II	SMALL COMM	Sub-Total - Capital Fund b	TOTALS c=a+b	ADMIN d	USACE STUDY	EIP	STAKE- HOLDER	OWA	City of Oroville	FRWLFA	REGIONAL PLANNING	SED REM	Tudor Phase II	SMALL COMM	Sub-Total - Capital Fund e	TOTALS f=d+e
REVENUES:																										
43195-Federal Intergov't Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43495-Proposition 13 Funds - \$1.4 M	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43495-Proposition 13 Funds - \$600 K	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43500-EIP Grant Funds - (Local Credit)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43501-EIP Grant Funds - (State Share)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43535-State Revenues - Flood Emergency Response Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43536-State Revenues - Prop 13 Grant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43717-Local Intergov't Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
45025-Assessment District Revenues	-	-	-	374,533	-	-	-	-	-	-	-	374,533	374,533	750,000	-	-	5,750,000	-	-	-	-	-	-	-	5,750,000	6,500,000
49081-Non-Gov't Settlements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43537-State Revenues - Gridley Bridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
43538-State Revenues - WCB/CDFW Grant	-	-	-	300,653	-	-	-	-	-	-	-	300,653	300,653	-	-	-	-	-	-	-	-	2,677,623	-	-	2,677,623	2,677,623
49011-Transferable Credits	-	-	-	75,496	-	-	-	-	-	-	-	75,496	75,496	-	-	-	-	-	-	-	-	-	-	-	-	-
4344(2,3)- Small Communities Grants	-	-	-	-	-	-	-	-	-	-	23,088	23,088	23,088	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	450,029	300,653	-	-	-	-	-	23,088	698,274	773,769	750,000	-	-	-	-	-	-	-	-	2,677,623	-	1,472,182	1,472,182
46110-Interest on Investments	-	-	-	(6,061)	-	-	-	-	-	-	-	(6,061)	(6,061)	-	-	-	-	-	-	-	-	-	-	-	-	-
49010-Other Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	(6,061)	-	-	-	-	-	-	-	(6,061)	(6,061)	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INCOME	-	-	-	443,968	300,653	-	-	-	-	-	23,088	692,213	767,708	750,000	-	-	-	-	-	-	-	-	2,677,623	-	1,472,182	9,999,805
EXPENDITURES - ADMINISTRATION:																										
Operations:																										
62701-Executive Director	(59,165)	-	-	-	-	-	-	-	-	-	-	-	(59,165)	-	-	-	-	-	-	-	-	-	-	-	-	-
62720-Attorney	(49,685)	-	-	-	-	-	-	-	-	-	-	-	(49,685)	(54,600)	-	-	-	-	-	-	-	-	-	-	-	(54,600)
62701-Analysis/Administrative Assistant	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
62701-Clerk/Secretary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62799.9-Exec Dir/Admin Mgr	(33,547)	-	-	-	-	-	-	-	-	-	-	-	(33,547)	(211,470)	-	-	-	-	-	-	-	-	-	-	-	(211,470)
6105,200X-Director of Engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	(68,681)	-	-	-	-	-	-	-	-	-	-	-	(68,681)
62701-Director of Engineering Support	(450)	-	-	-	-	-	-	-	-	-	-	-	(450)	-	-	-	-	-	-	-	-	-	-	-	-	-
62701-Public Outreach	(238)	-	-	-	-	-	-	-	-	-	-	-	(238)	(80,560)	-	-	-	-	-	-	-	-	-	-	-	(80,560)
62701-Financial Mgr	(48,838)	-	-	-	-	-	-	-	-	-	-	-	(48,838)	(26,500)	-	-	-	-	-	-	-	-	-	-	-	(26,500)
62701-Assessment District Admin.	(191,922)	-	-	-	-	-	-	-	-	-	-	-	(191,922)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	(391,922)	-	-	-	-	-	-	-	-	-	-	-	(391,922)	-	-	-	-	-	-	-	-	-	-	-	-	(441,813)
Services and Supplies	(101,483)	-	-	-	-	-	-	-	-	-	-	-	(101,483)	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	(101,483)	-	-	-	-	-	-	-	-	-	-	-	(101,483)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operations	(293,406)	-	-	-	-	-	-	-	-	-	-	-	(293,406)	-	-	-	-	-	-	-	-	-	-	-	-	(441,813)
EXPENDITURES - PROGRAM:																										
USACE Feasibility Study:																										
Administration	-	737,427	-	-	-	-	-	-	-	-	-	737,427	737,427	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments to USACE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	737,427	-	-	-	-	-	-	-	-	-	737,427	737,427	-	-	-	-	-	-	-	-	-	-	-	-	-
EIP:																										
Pre-Planning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	-	-	-	(400,455)	-	-	-	-	-	-	-	(400,455)	(400,455)	-	-	-	-	-	-	-	-	-	-	-	-	-
Engineering	-	-	-	(234,931)	-	-	-	-	-	-	-	(234,931)	(234,931)	-	-	-	-	-	-	-	-	-	-	-	-	-
Environmental	-	-	-	(10,748)	-	-	-	-	-	-	-	(10,748)	(10,748)	-	-	-	-	-	-	-	-	-	-	-	-	-
Right of Way Services	-	-	-	(12,117)	-	-	-	-	-	-	-	(12,117)	(12,117)	-	-	-	-	-	-	-	-	-	-	-	-	-
Construction & OWA FSR	-	-	-	(28,388)	-	-	-	-	-	-	-	(28,388)	(28,388)	-	-	-	-	-	-	-	-	-	-	-	-	-
ULDC	-	-	-	(87,137)	-	-	-	-	-	-	-	(87,137)	(87,137)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	(759,817)	-	-	-	-	-	-	-	(759,817)	(759,817)	-	-	-	-	-	-	-	-	-	-	-	-	-
OWA:																										
2005- FSR Grant Expenditures (Capital Project Soft Costs)	-	-	-	-	(9)	-	-	-	-	-	-	(9)	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-
2007- WCB Grant Expenditures (Capital Project Soft Costs)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7003- CDFW 2017- Box Culvert	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7004- WCB Public Access Parking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7005- Berry Canal Bridge (WCB 2017)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7006- CDFW 2019- Vegetation Restoration	-	-	-	-	(20,693)	-	-	-	-	-	-	(20,693)	(20,693)	-	-	-	-	-	-	-	-	-	-	-	-	-
7007- DWR Robinson's Rifle (PMPRA)	-	-	-	-	(227,512)	-	-	-	-	-	-	(227,512)	(227,512)	-	-	-	-	-	-	-	-	-	-	-	-	-
7013- CDFW- Robinson's Rifle	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7008- Thermalito Rec Improvements CDFW SPRA	-	-	-	-	(17,742)	-	-	-	-	-	-	(17,742)	(17,742)	-	-	-	-	-	-	-	-	-	-	-	-	-
7009- WCB Thermalito Rec Improvements	-	-	-	-	(173,174)	-	-	-	-	-	-	(173,174)	(173,174)	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	-	-	-	-	(439,130)	-	-	-	-	-	-	(439,130)	(439,130)	-	-	-	-	-	-	-	-	-	-	-	-	-
Small Communities:																					</					



Sutter Butte Flood Control Agency

A Partnership for Flood Safety

March 13, 2024

TO: Board of Directors

FROM: Michael Bessette – Executive Director

SUBJECT: Receive and File Program/Project Update Report

Recommendation

Receive and file the March 2024 Program/Project update report and receive staff's monthly Program/Project presentation.

Background

The purpose of this report is to provide a regular, monthly update on SBFCA program and project activities:

Feather River Regional Flood Management Planning

A budget-neutral contract amendment was submitted to DWR to adjust the Task Order budgets to reflect current workload and remaining budget. Corresponding Notices to Proceed were sent to the consultant team to match this budget adjustment. The planning team continues to make progress on SBFCA's primary interests in the regional planning effort including; advance OMRR&R activities for Cherokee Canal, advance the multi-benefit OWA Robinson's Riffle project, explore opportunities to fund construction of the Tudor Flood Risk Reduction and the Yuba City Sediment Removal Projects, participate in FEMA National Flood Insurance Program reform, participate in efforts related to the Oroville Citizen's Advisory Committee, and identify and implement other regional flood risk reduction projects.

Oroville Wildlife Area (OWA) Project

The *Oroville Wildlife Area Thermalito Afterbay Outlet Boat Ramp and Campground Project*, funded by both the CA Department of Fish & Wildlife and Wildlife Conservation Board, has achieved the 65% design submittal milestone. This 65% design is being reviewed by our agency partners and grantors, and will be used to initiate the encroachment permit process through the Central Valley Flood Protection Board and the Section 408 review and approval process by USACE. The project is on schedule to produce final bid documents by the end of 2024 with construction planned for summer 2025. SBFCA also continues to make progress on the Oroville Wildlife Area Robinson's Riffle planning grant project. Work on the project continues including; scheduling and conducting stakeholder outreach meetings, hydraulic modeling, and project features scoping. A second project scoping workshop with partner agencies will be held on March 20th.

City of Oroville Levee Repair Project

SBFCA staff is coordinating with staff from the City of Oroville to assist the City in advancing a levee repair project within the city limits. An application on behalf of the City was submitted in October 2023 to the U.S. Army Corps of Engineers (USACE) under a new pilot program (Section 165(a) Pilot Program for Water Resources Projects for Small or Disadvantaged Communities). If the City's application is selected the Corps would conduct a feasibility study at 100% Federal cost-share. We recently heard that USACE will make decisions on project selections within the next 2 weeks and applicants might hear news of selection end of March or early April. In addition, communication with Senator Dahle's and Congressman LaMalfa's office is taking place in order to receive the senator's and congressman's full support for the project.

Sutter Bypass Critical Levee Repairs

The project team continues to advance the design and permitting work funded by the \$4M funding agreement from DWR. The design team lead, HDR Engineering, Inc., has recently finalized the 30% design plans and submitted them to SBFCA, the IPE/SAR, and our state partners for review. Staff is coordinating with DWR to pursue federal funding, through FEMA grants, for the construction of the 5.2-mile levee improvement project. The grant applications (BRIC and FMA) were submitted to FEMA by CalOES at the end of February.

Tudor Flood Risk Reduction Project (lower Feather River West Levee)

SBFCA's design and environmental teams continue their work on the levee repair project. The design team submitted the 90% design package for SBFCA review and held an IPE/SAR meeting in January. The design package has been submitted to the Central Valley Flood Protection Board for an encroachment permit, which initiates the USACE Section 408 review and approval process. The final EIR was approved by the SBFCA Board in September 2023 and USACE issued their 30-day public notice for the project on January 24. The SBFCA environmental team is working on acquiring the needed USACE 404 and RWQCB 401 permits. Design and environmental team meetings continue to be held weekly, or as needed, to advance the project. It is anticipated that the design and permitting effort will be concluded by the end of 2024 with construction scheduled to begin in 2025.

Proposition 68 Sediment Management Project

SBFCA prepared a grant application which was submitted to NOAA fisheries on November 16 and we are expecting to hear results later this Summer. SBFCA staff are exploring another potential funding opportunity (applications due by March 18) provided by USBR and NRCS. SBFCA staff also continues to coordinate with Yuba County staff to remove sediment at the Star Bend boat ramp on the east side of the Feather River.

Sutter Basin Flood Risk Management Project (federal project)

Staff continues to advance the punch-list repairs to the Feather Water District Facilities (leaking valve and meter vaults). A field meeting with the design team was held on January 30 and a schedule for the design and construction activities was recently received from the design team. The schedule shows the repair work to be initiated in late summer or early fall and it will be coordinated with the Feather Water District. Staff also continues to work with USACE and DWR on project crediting reports and other remaining project closeout items. The crediting reports are needed to perfect the credit established by SBFCA by advancing the levee improvements prior to the federal government appropriated funds for the project. The Project Partnership Agreement Amendment No. 1, which will allow for the credit transfer, is being presented to the Board this month for approval.

Engineering Design

The design team continues to coordinate with Levee District 1 for repairs to the Reach 7 relief wells and to document the cause of the wells to partially plug-up with sediment. We anticipate the repair work will occur later this year. The design team continues to process the encroachment permits for facilities (pipes, electrical, levee ramps, etc.) modified by the Feather River West Levee Project (FRWLP). Those permits are processed through the Central Valley Flood Protection Board after approval by the Corps of Engineers.

Environmental Documentation/Permitting/Monitoring/Mitigation

Work on the Star Bend and Mathews Property environmental mitigation sites continues. SBFCA staff and the Sacramento Valley Conservancy team completed all the documents associated with land transfers, easement establishments, and other associated activities required to establish and manage the mitigation sites in perpetuity. The finalized management plan and associated documents were sent to California Department of Fish and Wildlife (CDFW) and the US Fish & Wildlife Service for their respective reviews and final approval. Staff continues to coordinate with Levee District 1 on the required land transfer and ongoing maintenance cost reimbursement at Star Bend.

Right of Way

The SBFCA right-of-way team and DWR (real estate branch and geodetics group) continue to conduct monthly coordination meetings to streamline the real estate acquisition reimbursement process and ultimate transfer of

property to the State by the end of this year. DWR is making good progress on reviewing and approving the Final Accounting Packages, which allow SBFCA to be reimbursed by DWR for land acquisitions.

Regional Development Impact Fee

The Regional Development Impact Fee (DIF) Program will become effective on April 8th after receiving approval from all affected land use agencies. This new funding source will help fund projects identified in the Agency's Strategic Plan.

Sutter County FEMA Accreditation

SBFCA staff are coordinating with Sutter County and Yuba City on the upcoming submittal of the 100-year FEMA accreditation package for the southern Feather River west levee reaches. SBFCA and Sutter County held a pre-application meeting with FEMA on February 6 and we anticipate sending the submittal to FEMA in late February or early March. Following submittal, it is anticipated that the review and processing period with FEMA will take approximately 3 to 5 years before the proposed mapping changes become effective. SBFCA staff has also been in contact with Yuba County staff and their consultants to help coordinate the ongoing hydraulic modeling efforts and to maintain consistency with recent levee work performed by both SBFCA and Three Rivers Levee Improvement Authority.

State & Local Funding and Coordination

EIP / UFRR Agreement

SBFCA staff continues to work with DWR to process additional payments and reimbursement requests for various items of work. SBFCA has since received \$2,499,794 for the Emergency Work Retention Release. The last payment received and reported to the Board was in the amount of \$2,060,217 on June 18, 2022 for costs incurred during the 28th, 29th, and 30th. An \$308,156 payment for 31st Quarter was received in December. In February, SBFCA received one FAPS payment totaling \$1,989,855 from DWR for ROW request for a Partial Closeout Retention Release of \$2,668,485. Additional final closeout work is also underway. The table below presents the funding status of the Agency's UFRR Grant.

FRWLP DWR EIP/UFRR Funding

	<u>Agreement</u>		
	<u>Design</u>	<u>Construction</u>	<u>Total</u>
Agreement No.	#4600009480	#4600010296	
Capital Outlay Amount	\$9,000,000	\$56,780,000	\$65,780,000
Amendment 1	\$0 [1]	\$0 [2]	\$0
Amendment 2	\$14,869,280 [3]	\$57,803,791 [4]	\$72,673,071
Amendment 3		\$43,861,587	\$43,861,587
Amendment 4		\$40,828,931	\$40,828,931
Amendment 5	-\$2,529,451 [5]	\$31,730,451 [5]	\$29,201,000
Amendment 6	\$0	\$0	\$0
Amendment 7	\$0	\$3,744,017	\$3,744,017
Amendment 8	\$0	\$0	\$0
TOTAL FUNDING	\$21,339,829	\$234,748,777	\$256,088,606.03
<i>Pending [6]</i>	\$0	\$0	\$0
TOTAL RECEIVED TO DATE	\$21,339,829	\$230,648,323	\$253,420,121
TOTAL PAYMENTS	\$21,339,829	\$232,080,291	\$253,420,121
 GRANT BALANCE	 \$0	 \$2,668,486	 \$2,668,486

[1] Amendment 1 to the Design Agreement amended the term of the agreement.

[2] Amendment 1 to the Construction Agreement amended the scope agreement to include the closure of gaps (at reaches 13 and 24) in Area C.

- [3] Amendment 2 to the Design Agreement increased the cost share from 50% to 76% State Cost Share and increased the State funding limit.
- [4] Amendment 2 to the Construction Agreement increased the scope to include Areas B & D2A and increased the State funding limit. It also incorporated many of the guideline provisions of the UFRR Program.
- [5] Reflects pending transfer of remaining design funding to the CFA.
- [6] Pending Payments per DWR.

OWA (CDFW & WCB) Grant Agreements

SBFCA staff is working with the WCB and CDFW to process payments for the ongoing OWA work.

Payments on the CDFW Veg Planting grant for the first through eighth quarters were received in the sum amount of \$1,058,172 with \$492,078 currently pending for the 9th through 14th Quarters. A 15th Quarter package will be formulated and submitted end of April.

SBFCA submitted the first package to WCB for the Thermalito Afterbay project. A 3rd Quarter package will be formulated and submitted end of April. The tables below present the funding status of the Agency's WCB Grants and CDFW Grants, respectively.

OWA WCB Funding

	<u>Agreement</u>	
	Thermo Afterbay	<u>Total</u>
Grant Agreement No.	WC-2334CA	
Grant Amount	\$4,415,000	\$4,415,000
TOTAL FUNDING	\$4,415,000	\$4,415,000
<i>Payment Received</i>		
PMT 1		\$0
Pending [1]		
PMT 1	\$58,555	\$0
PMT 2	\$123,749	\$0
TOTAL PAYMENTS	\$182,304	\$7,540,847
GRANT BALANCE	\$4,232,696	\$4,763,675

[1] No payments yet received.

OWA CDFW Funding

	<u>Agreement</u>	<u>Total</u>
Grant Agreement No.	Q1996015	
Grant Amount	\$1,716,847	\$1,716,847
TOTAL FUNDING	\$1,716,847	\$1,716,847

Receipts

Received

PMT 1	\$404,324	\$404,324
PMT 2	\$113,379	\$113,379
PMT 3a	\$56,180	\$56,180
PMT 3b		\$0
PMT 4	\$42,759	\$42,759
PMT 5	\$139,725	\$139,725
PMT 6	\$102,987	\$102,987
PMT 7	\$112,641	\$112,641
PMT 8	\$86,177	\$86,177

Pending

PMT 9	\$111,059	\$111,059
PMT 10	\$300,653	\$300,653
PMT 11	\$27,633	\$27,633
PMT 12	\$27,633	\$27,633
PMT 13	\$25,100	\$25,100
PMT 14	\$8,905	\$8,905

TOTAL PAYMENTS	\$1,559,155	\$1,559,155
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GRANT BALANCE	\$157,692	\$186,284
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CNRA Proposition 68 Sediment Management Project

SBFCA staff finalized a grant with California Natural Resources Agency (CNRA) for Sediment Management along the Feather River in February 2020 for \$5,000,000. Payments on all packages through the 7th have been received, totaling \$4,015,235. An additional 8th invoice package will be submitted this month. SBFCA has been in close contact with CNRA to process payments.

CNR Sediment Removal Funding

	<u>Agreement</u>	<u>Total</u>
Grant Agreement No.	R31866-0	
Grant Amount	\$5,000,000	\$5,000,000
TOTAL FUNDING	\$5,000,000	\$5,000,000

Receipts

Received

PMT 1	\$15,477	\$15,477
PMT 2	\$233,338	\$233,338
PMT 3	\$151,111	\$151,111
PMT 4	\$258,997	\$258,997

PMT 5	\$209,605	\$209,605
PMT 6	\$2,916,496	\$2,916,496
PMT 7	\$230,211	\$230,211
Pending		
TOTAL PAYMENTS	\$4,015,235	\$4,015,235
GRANT BALANCE	\$984,765	\$984,765

Additional State Funded Grants

SBFCA has secured and executed work on additional state-funded grants: The Floodplain Management, Protection and Risk Awareness (FMPRA) Robinson's Riffle; Regional Flood Management Planning Phase IV (RFMP IV); and Sutter Bypass East Levee (SBEL) projects.

A third reimbursement package for FMPRA Robinson's Riffle was submitted to DWR in February for \$94,835, totaling \$270,567 in pending receivables for this grant. A subsequent fourth package will be formulated and submitted in April.

A second reimbursement package for RFMP IV was submitted to DWR this month requesting \$54,864, totaling \$128,568 in pending receivables. An additional package will be formulated and submitted in April.

The third reimbursement request package for SBEL was submitted to DWR for \$218,615, totaling \$406,752. A fourth reimbursement request package will be formulated and submitted this in April.

State Funding

	Agreement			Total
	FMPRA Robinson's Riffle	RFMP IV	Sutter Bypass East Levee	
Grant Agreement No.	4600015071	4600015037	4600014883	
Grant Amount	\$1,144,800	\$260,000	\$4,000,000	\$5,404,800
TOTAL FUNDING	\$1,144,800	\$260,000	\$4,000,000	\$5,404,800
Receipts				
Received				
PMT 1	\$0	\$0	\$0	\$0
Pending				
PMT 1	\$99,307	\$12,832	\$136,261	\$248,400
PMT 2	\$76,425	\$60,872	\$51,876	\$189,172
PMT 3	\$94,835	\$54,864	\$218,615	\$368,315
TOTAL PAYMENTS	\$270,567	\$128,568	\$406,752	\$805,887
GRANT BALANCE	\$874,233	\$131,432	\$3,593,248	\$4,598,913

Fiscal Impact: This is an informational item only with no fiscal impact to SBFCA.