

BOARD OF DIRECTORS
SUTTER - BUTTE FLOOD CONTROL AGENCY

AGENDA SUMMARY

June 11, 2008

1:30 P.M. Regular Meeting
Yuba-Sutter Economic Development Corporation's Conference Room
1227 Bridge Street, Suite C
Yuba City, CA 95991

<u>County of Sutter</u>	<u>County of Butte</u>
1. Dan Silva 2. Larry Montna Alt. Jim Whiteaker	1. Curt Josiassen 2. Bill Connelly Alt. Kim Yamaguchi
<u>City of Yuba City</u>	<u>City of Gridley</u>
1. John Miller 2. Kash Gill Alt. Rory Ramirez, Tej Maan	1. Marlena Sparks Alt. Jerry Anne Fichter
<u>City of Live Oak</u>	<u>City of Biggs</u>
1. Harold Childers Alt. Judy K. Richards	1. John Busch Alt. Jon Crawford
<u>Levee District 1</u>	<u>Levee District 9</u>
1. Francis Silva 2. Al Montna Alt. Mike Vinsonhaler	1. David Lamon 2. Dave Schmidl Alt. Chris Schmidl

Persons wishing to address the Board during consideration of matters listed on the agenda will be allowed to do so. Testimony should always begin with the speaker giving his or her name and place of residence. The times listed on the agenda are approximate and items may be brought up for discussion within a reasonable length of time before or after the time scheduled.

1:30 P.M. REGULAR MEETING/CALL TO ORDER
Roll Call
Pledge of Allegiance to the Flag

NOTICED PUBLIC HEARING

1. Receipt of public testimony, Board discussion and consideration, and Board adoption of the Final FY 2008-09 Budget for the Sutter-Butte Flood Control Agency.

DISCUSSION AND ACTION ITEMS

2. Approval of the minutes for the Regular Board Meeting of May 14, 2008.
3. Review, discussion, and approval of the first amendment to the contract with Peterson Brustad Inc for engineering services and technical advice for the Sutter-Butte Flood Control Agency.
4. Review, discussion, and approval of the second amendment to the contract with Lincoln Crow Strategic Communications for public information, education, and strategic communications services for the Sutter-Butte Flood Control Agency.
5. Discussion and Possible action regarding cancelling the July and August regular meetings.
6. Acceptance of donation by Sutter County Supervisor Dan Silva.
7. Presentation by the United States Army Corps of Engineers regarding the status of the re-start of the USACE Feasibility Study for the Sutter Basin.

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 agendaized 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.

OTHER BUSINESS – BOARD OF DIRECTORS

Requests for assistive listening devices or other accommodations, such as interpretive services, should be made through the Clerk of the Board at (530) 822-7106. Requests should be made at least 72 hours prior to the meeting. Later requests will be accommodated to the extent feasible.

SUTTER - BUTTE FLOOD CONTROL AGENCY

FINAL BUDGET AND BUDGET ESTIMATES

2008-09-2009-10-2010-11

SUBMITTED BY:

William H. Edgar
Interim Executive Director

SUTTER - BUTTE FLOOD CONTROL AGENCY

June 11, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Receipt of public testimony, Board discussion and consideration, and Board adoption of the Final 2008-09 Budget for the Sutter-Butte Flood Control Agency.

Summary and Recommendations

We have attached a copy of the Final 2008-09 Budget for the Sutter-Butte Flood Control Agency. A copy was transmitted to the Board at your last month's meeting, and a public hearing was noticed for June 11th at which time the Board will consider public testimony and after discussion and consideration will be expected to adopt the Final 2008-09 Budget for the Sutter-Butte Flood control Agency. Robin Bertagna, CPA, Chief Financial Officer for the Sutter-Butte Flood Control Agency as well as the Sutter Chief Administrative Officer, the City Manager for Yuba City, and the General Manager for LD No. 1 have all reviewed the budget and have agreed to submit the recommended funding requests to their governing Boards for approval.

It is recommended that:

1. The Board of Directors receive and consider public testimony at this scheduled public hearing; and
2. After discussion and consideration the Board of Directors adopt the Final 2008-09 Budget for the Sutter-Butte Flood Control Agency subject to receiving contributions from Sutter County, Yuba City, and LD No. 1.

Background

At your May 14, 2008 meeting your Board approved the Proposed Budget for the Fiscal Year 2008-09 and directed the staff to schedule a public hearing for June 11, 2008. The budget policy guidelines approved by the Board at its April 16, 2008 meeting were followed during the preparation of the budget. The budgeted amounts are based on existing obligations as well as projected expenditures. We consulted with Robin Bertagna, CPA, Chief Financial Officer for the Sutter-Butte Flood Control Agency during the process and are projecting a June 30th carryover balance of \$284,895. The Proposed Budget recommends that this balance be used to reduce the final requested contributions from Sutter County, Yuba City, and LD No.

The following shows the breakdown between operating and capital estimates for the 2008-09 Fiscal Year:

	<u>Amount</u>	<u>Funding Source</u>
1. Operating Budget Estimates	\$ 601,450	Local Government Contributions
2. USACE Feasibility Study	1,000,000	Proposition 13 Funds
3. USACE Feasibility Study	200,000	Local Cash Contribution
4. Contributions to LD 1 - Star Bend	2,500,000	Approved County and City Funds
5. Begin Prop. 218 Engineer's Report	100,000	Local Cash Required
6. Begin Eng. Design of Early Projects	<u>100,000</u>	Local Cash Required
Total Requirements	<u>\$4,501,450</u>	

Although the major funding sources for the 2008-09 Final Budget have been identified there is still a need for Sutter County, Yuba City, and LD 1 to fund a portion of the operating cost needs for the 2008-09 Fiscal Year. These costs include the cost of operating the Agency as well as the costs to begin the engineering work necessary to conduct a Proposition 218 election and to begin the engineering design for several projects that could be implemented early provided that the USACE Feasibility Study moves along expeditiously.

The following is a breakdown of our request for local government funding for the 2008-09 Fiscal Year:

	<u>2008-09 Fiscal Year</u>
Total Requirements	\$4,501,450
Less LD 1 Contributions (Already Approved)	(2,500,000)
Less State Prop.13 Funds (Already Approved)	(1,000,000)
Less 2007-08 Carryover Funds	<u>(284,895)</u>
Total Cash Requirements	<u>\$ 716,555</u>
LD 1's Share	\$ 50,000
Sutter County's Share	333,278
Yuba City's Share	<u>333,277</u>
Total Local Cash Contributions	<u>\$ 716,555</u>

Conclusion

Assuming that the above mentioned funding requests are approved, we have presented a balanced budget which will provide the funds to move the various studies along and provide the resources to resolve the flood control problems of the Yuba Basin as quickly as possible.

Thank you.

SUTTER - BUTTE FLOOD CONTROL AGENCY

June 11, 2008

Board of Directors
Sutter – Butte Flood Control Agency

RE: Final Budget – 2008-09 Fiscal Year and the Estimates for the 2009-10 and 2010-11 Fiscal Years

Chairman John Miller and Members of the Board:

It is a pleasure to transmit to you our Final Budget for the 2008-09 Fiscal Year as well as the estimates for the following two years (2009-10 and 2010-11). The Final Budget for 2008-09 totals \$4,501,450 and is supported by Proposition 13 funds, local government contributions, and carryover funds from the 2007-08 Fiscal Year. The operating budget contains a 15% contingency and the capital budget includes previously approved expenses related to our planned contributions to Levee District 1 for their setback levee project at Star Bend. This Final Budget for the 2008-09 Fiscal Year will require local cash contributions totaling \$716,555. Article VI, Section 23 of the Joint Exercise of Powers Agreement (JPA) creating the Sutter-Butte Flood Control Agency (SBFCA) states that the initial commitment of operational funding shall be made by the County of Sutter, the City of Yuba City, and LD 1 subject to the budget approval process of each Party. It is therefore assumed that the required local cash contributions will be divided among the above mentioned entities as they deem appropriate.

BUDGET POLICY AND PROCESS

Consistent with your direction at your April 16, 2008 Board meeting, this document has been prepared in accordance with your adopted policy guidelines which include the following:

1. Conserve operating funds through the 2008-09 Fiscal Year by limiting staff expenses to contract employees and the use of existing Sutter County and Yuba City staff as required.
2. Incorporate into the Proposed 2008-09 Budget document the necessary costs to accelerate the required USACE Feasibility Study that will provide the information necessary to select several projects that would be common to all alternatives, and therefore could be started early.

3. Include the cost of beginning the preparation of an Engineer's Report and legal analysis that would be required to conduct a Proposition 218 election for the purpose of funding the local operating cost of the Agency, the design and construction cost of one or more of the early implementation projects, and the local cost share of the preferred alternative that ultimately will be recommended by the USACE's Feasibility Study to reduce the flood control risk for the Sutter Basin.

In addition, with regard to budget policy and process, the Board should know that our General Counsel, based upon their reading of the SBFCA JPA, has concluded that the manner of adopting the Sutter-Butte Flood Control Agency budget should be the same as Sutter County uses to adopt the Sutter County budget. Therefore, as counties normally do, the Board should take action at their May 14, 2008 meeting to adopt this proposed budget as an acknowledgement that you have received it, and that you are authorizing a public hearing to be scheduled on June 11, 2008. Your action at your May 14, 2008 meeting does not constitute budget approval. Approval of the 2008-09 budget is expected on June 11, 2008, after receipt of public testimony at the scheduled public hearing and after further discussion among the Board members.

REVENUES

As mentioned above the cost needs shown in this budget are supported now by State grants from Proposition 13 funds, and in later years from Proposition 84 funds. State revenues from Proposition 84 are planned for the 2009-10 and 2010-11 Fiscal Years. Local cash contributions from Sutter County and Yuba City support the costs of operating the Flood Control Agency as well as the local cost share of the USACE's Feasibility Study. It is hoped that during the next year or so progress will be made to successfully create an assessment district for benefiting properties to pay for the costs now being funded by Sutter County and Yuba City.

EXPENDITURES

This Final Budget envisions holding the line on operating costs by limiting staff expenses to contract employees and using existing Sutter County and Yuba City staff as required. We are, however, proposing expenditures to begin the preparation of the assessment engineer's Proposition 218 report and to do some initial election planning for a Proposition 218 assessment election. We are sensitive to the fact that Sutter County and Yuba City cannot continue to support the cost needs of the Flood Control Agency indefinitely and that the Agency must soon obtain an independent source of funding in order to continue to advocate and make progress toward reducing the flood risk for the residents and property within the Sutter Basin.

CARRYOVER FUNDS

As mentioned above, we estimate the carryover funds from the 2007-08 Fiscal Year to be \$284,895. We plan to use these funds to support expenditures in this Proposed Budget for 2008-09. These cost savings were achieved by holding the line on spending, limiting staff expenses to contract employees instead of hiring full-time staff, and delays in the re-start of the USACE Feasibility Study. Obviously, this will significantly reduce the required local cash contributions for the 2008-09 Fiscal Year.

LOCAL CASH REQUIREMENTS

This 2008-09 Final Budget assumes a local cash contribution totaling \$716,555. As mentioned above the Joint Exercise of Powers Agreement which created the Sutter-Butte Flood Control Agency states that the initial commitment of operational funding shall be made by the County of Sutter, the City of Yuba City, and LD 1 subject to the budget approval process within each jurisdiction. The budget document shows the amounts required by each of the three parties depending upon which ones participate. Between the May 14th and June 11th Board meetings we will work with each jurisdiction referred to in the JPA in order to bring an agreement to you at your June meeting.

CONCLUSIONS

The Final Budget for the 2008-09 Fiscal Year is based upon the sound financial concept of a sustainable budget – matching necessary and required expenditures to realistic but conservative revenue projections, and the expectations of what we can financially support in the future. In addition to the sustainable budget philosophy, we must proactively position the Flood Control Agency to be able to weather the current economic challenges while at the same time moving our flood control agenda forward with the State and the USACE so that we can begin the design and construction of a few selected improvement projects as soon as possible. Our proposed strategic financial policy of a sustainable budget as well as incrementally achieving financial independence over a three year period will ultimately allow the Flood Control Agency to achieve its mission to reduce the risk of flooding within the Sutter Basin; and will, in the long run, increase the financial health of the organization.

RECOMMENDATIONS

It is recommended that your Board:

1. Approve the Sutter-Butte Flood Control Agency's Final Budget for Fiscal Year 2008-09; and
2. Set noticed Public Hearings commencing on June 11, 2008, at 1:30 p.m. at the Yuba-Sutter Economic Development Corporation's conference room, 1227 Bridge Street, Suite C in Yuba City, California; and

3. Direct the Interim Executive Director to have sufficient copies of the approved Proposed Budget available to meet public demand.

Thank you for allowing me to assist you in starting up this organization over the last few months. It has been a privilege and an honor. I look forward to continuing to work with you in stabilizing the organization, and when the time is right facilitating a smooth transition to your permanent Executive Director.

Thank you.

William H. Edgar
Interim Executive Director

ESTIMATED REVENUE/EXPENDITURES
2007 - 2008

Sutter-Butte Flood Control Agency
ESTIMATED REVENUE/EXPENDITURES - 2007-2008

<u>Account Number</u>	<u>Description</u>	<u>Budget</u>	<u>Actual 4/30/2008</u>	<u>Estimated May, 2008</u>	<u>Estimated June, 2008</u>	<u>Estimated 2007-08</u>
Revenues						
Current Operating						
43195	Federal Intergovernmental Funds					
43495	State Intergovernmental Funds					
43717	Local Intergovernmental Contributions	416,300	416,300			416,300
46110	Interest on Investments					
49010	Other Revenue					
	Total Operating Revenues	416,300	416,300	-	-	416,300
Capital						
	Proposition 13 Funds (See note 1)					
	Proposition 84 Funds					
43717	Local Intergovernmental Contributions	100,000	100,000	4,500,000		4,600,000
	Total Capital Revenues	100,000	100,000	4,500,000	-	4,600,000
	Total Revenues	516,300	516,300	4,500,000	-	5,016,300
Expenditures						
Current Operating						
61210	Salaries-Regular					
61211	Salaries-Sick Leave					
61212	Salaries-Vacation					
61217	Salaries-Admin. Payoff					
61310	Wages-Extra Help					
61430	Overtime-Regular					
61501	Medicare					
61502	Health Plan					
61503	Retirement					
61504	Workers Compensation					
61505	Life Insurance					
61506	Unemployment Insurance					
61507	Vision Plan					
	Sub-Total Wages & Benefits	-	-	-	-	-
62201	Telephone-Service	2,000				
62210	Telephone-Cellular Phone					
62250	Telephone-Internet					
62301	Postage & Freight					
62401	Advertising					
62501	Office Supplies	2,000				
62507	Computer Forms & Supplies					
62508	Photocopy Machine					
62601	Printing & Binding		210			210
62701	Professional Services	343,000	52,911	78,500	55,500	186,911
62713	Annual Audit					
62801	Travel & Meeting	2,500				
63101	Dues & Subscriptions	2,000	100			100
63301	O&M-Office Equipment					

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Sutter-Butte Flood Control Agency
ESTIMATED REVENUE/EXPENDITURES - 2007-2008

<u>Account Number</u>	<u>Description</u>	<u>Budget</u>	<u>Actual 4/30/2008</u>	<u>Estimated May, 2008</u>	<u>Estimated June, 2008</u>	<u>Estimated 2007-08</u>
63320	O&M-Computer Equipment					
63801	Tools, Supplies & Equip. < \$5,000	2,000				-
63901	Training Program/Aids					-
64310	Liability Insurance					-
65801	Computer Maintenance	1,500			20,943	20,943
66001	Other Materials & Supplies					-
	Sub-Total Materials, Supplies & Services	2,000				-
69201	Equipment	357,000	53,221	78,500	76,443	208,164
	Sub-Total Capital/Small Equipment Items	5,000				-
		5,000				-
	<i>Sub-Total Operating Expenditures</i>	362,000	53,221	78,500	76,443	208,164
	<i>15% Operating Contingency</i>	54,300		11,775	11,466	23,241
	Total Operating Expenditures	416,300	53,221	90,275	87,909	231,405
	Capital Expenses					
	USACE Feasibility Study	100,000				-
	Contribution to LD 1 - Set Back Levee at Star Bend					-
	Preparation of Assessment Engineer's 218 Report			920,000		920,000
	Proposition 218 Election Costs					-
	Engineering Design Costs for Early Implementation Projects					-
	Total Capital Expenditures	100,000		920,000		920,000
	Total Expenditures	516,300	53,221	1,010,275	87,909	1,151,405
	Operating Revenues Over <Under> Expenditures	-	363,079	(90,275)	(87,909)	184,895
	Capital Revenues Over <Under> Expenditures	-	100,000	3,580,000	-	3,680,000
	Total Revenues Over <Under> Expenditures	-	463,079	3,489,725	(87,909)	3,864,895

Estimated Carryover Funds:
284,895

Notes:

(1) The remaining Proposition 13 funds consist of \$1.4 M in restricted funds and \$0.65 M in unrestricted funds. The unrestricted funds will pass directly from the State to the Corps of Engineers to help satisfy local matching requirements and will not pass through the SBFCA budget.

**Sutter-Butte Flood Control Agency
EXPENDITURE ESTIMATES - 2007-2008**

Operating Expenditure Estimate:

	2007-08 Budget	Actual 4/30/2008	Estimated May, 2008	Estimated June, 2008	Estimated 2007-08	Memorandum
<u>Staffing:</u>						
1. Executive Director	78,000	37,911	9,000	9,000	55,911	By contract with Interim Exec. Dir. Contract with County Contract with County Contract with County Contract with County and City
2. Attorney	30,000		15,000	5,000	20,000	
3. Analyst/Administrative Assistant	40,000		15,000	5,000	20,000	
4. Clerk/Secretary	25,000		15,000	5,000	20,000	
5. Engineering Coordinator	50,000				-	
Sub-Total	223,000	37,911	54,000	24,000	115,911	
<u>County/City Services:</u>						
1. Budget/Accounting/Finance	10,000		1,000	1,000	2,000	Contract with City Contract with County and City Contract with County or City Contract with County or City
2. Engineering/Public Works	5,000		6,000	3,000	9,000	
3. Human Resources/Risk Management	2,500				-	
4. Other	2,500				-	
Sub-Total	20,000	-	7,000	4,000	11,000	
<u>Services and Supplies:</u>						
1. Insurance	1,500			20,943	20,943	Insurance JPA
2. Travel/Meals	2,500				-	Estimated direct expense
3. Office Expenses	2,000				-	Estimated direct expense
4. Telephone	2,000				-	Estimated direct expense
5. Technology	2,000				-	Estimated direct expense
6. Supplies	2,000				-	Estimated direct expense
7. Publications/Memberships	2,000	100			100	Estimated direct expense
8. Professional Services	100,000	15,210	17,500	27,500	60,210	Independent contractors
Sub-Total	114,000	15,310	17,500	48,443	81,253	
<u>Capital/Small Equipment Items:</u>						
1. Miscellaneous	5,000				-	Estimated direct expense
Contingency - 15%:	54,300		11,775	11,466	23,241	15% times above sub-totals
Operating Totals	416,300	53,221	90,275	87,909	231,405	
<u>Capital Expenditure Estimate:</u>						
1. Local Share of Fesibility Study	100,000				-	
2. Contributions to LD 1 for Set Back Levee at Star Bend			920,000		920,000	
Capital Totals	100,000	-	920,000	-	920,000	
Grand Totals	516,300	53,221	1,010,275	87,909	1,151,405	Estimated Carryover Funds: 284,895

BUDGET ESTIMATES
2008-09 – 2009-10 – 2010-11

Sutter-Butte Flood Control Agency
BUDGET ESTIMATES 2008-09 - 2009-10 - 2010-11

<u>Account Number</u>	<u>Description</u>	<u>2007-08 Estimated</u>	<u>2008-09 Projected</u>	<u>2009-10 Projected</u>	<u>2010-11 Projected</u>	<u>Total Projected</u>
<u>Revenues</u>						
<u>Current Operating</u>						
43195	Federal Intergovernmental Funds					
43495	State Intergovernmental Funds					
43717	Local Intergovernmental Contributions	416,300	601,450	665,850	667,000	1,934,300
46110	Interest on Investments					
49010	Other Revenue					
	Total Operating Revenues	416,300	601,450	665,850	667,000	1,934,300
<u>Capital</u>						
	Proposition 13 Funds (See note 1)		1,000,000	400,000		1,400,000
	Proposition 84 Funds			300,000	250,000	550,000
43717	Local Intergovernmental Contributions	4,600,000	400,000	1,100,000	750,000	2,250,000
	Total Capital Revenues	4,600,000	1,400,000	1,800,000	1,000,000	4,200,000
	Total Revenues	5,016,300	2,001,450	2,465,850	1,667,000	6,134,300
<u>Expenditures</u>						
<u>Current Operating</u>						
61210	Salaries-Regular					-
61211	Salaries-Sick Leave					-
61212	Salaries-Vacation					-
61217	Salaries-Admin. Payoff					-
61310	Wages-Extra Help					-
61430	Overtime-Regular					-
61501	Medicare					-
61502	Health Plan					-
61503	Retirement					-
61504	Workers Compensation					-
61505	Life Insurance					-
61506	Unemployment Insurance					-
61507	Vision Plan					-
	Sub-Total Wages & Benefits	-	-	-	-	-
62201	Telephone-Service		5,000	5,000	5,000	15,000
62210	Telephone-Cellular Phone					-
62250	Telephone-Internet		5,000	5,000	5,000	15,000
62301	Postage & Freight					-
62401	Advertising					-
62501	Office Supplies		5,000	5,000	5,000	15,000
62507	Computer Forms & Supplies		5,000	5,000	5,000	15,000
62508	Photocopy Machine					-
62601	Printing & Binding	210				-
62701	Professional Services	186,911	465,000	515,000	515,000	1,495,000
62713	Annual Audit					-
62801	Travel & Meeting		5,000	10,000	10,000	25,000
63101	Dues & Subscriptions	100	2,000	2,000	2,000	6,000
63301	O&M-Office Equipment					-

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Sutter-Butte Flood Control Agency
BUDGET ESTIMATES 2008-09 - 2009-10 - 2010-11

Account Number	Description	2007-08 Estimated	2008-09 Projected	2009-10 Projected	2010-11 Projected	Total Projected
63320	O&M-Computer Equipment					-
63801	Tools, Supplies & Equip. < \$5,000					-
63901	Training Program/Aids					-
64310	Liability Insurance	20,943	21,000	22,000	23,000	66,000
65801	Computer Maintenance					-
66001	Other Materials & Supplies					-
	Sub-Total Materials, Supplies & Services	208,164	513,000	569,000	570,000	1,662,000
69201	Equipment		10,000	10,000	10,000	30,000
	Sub-Total Additions and Betterments	-	10,000	10,000	10,000	30,000
	<i>Sub-Total Operating Expenditures</i>	208,164	523,000	579,000	580,000	1,682,000
	<i>15% Operating Contingency</i>	23,241	78,450	86,850	87,000	252,300
	Total Operating Expenditures	231,405	601,450	665,850	667,000	1,934,300
Capital Expenses						
USACE Feasibility Study:						
	Proposition 13 Funds (See note 1)		1,000,000	400,000		1,400,000
	Proposition 84 Funds			300,000	250,000	550,000
	Local Cash Requirement		200,000	300,000	250,000	750,000
	Sub-Total - USACE Feasibility Study	-	1,200,000	1,000,000	500,000	2,700,000
	Contribution to LD 1 - Set Back Levee at Star Bend	920,000	2,500,000	1,080,000		3,580,000
	Preparation of Assessment Engineer's 218 Report		100,000	300,000		400,000
	Proposition 218 Election Costs		100,000	500,000		600,000
	Engineering Design Costs for Early Implementation Projects			500,000		500,000
	Total Capital Expenditures	920,000	3,900,000	3,380,000	500,000	7,780,000
	Total Expenditures	1,151,405	4,501,450	4,045,850	1,167,000	9,714,300
	Operating Revenues Over <Under> Expenditures	184,895	-	-	-	-
	Capital Revenues Over <Under> Expenditures	3,680,000	(2,500,000)	(1,580,000)	500,000	(3,580,000)
	Total Revenues Over <Under> Expenditures	3,864,895	(2,500,000)	(1,580,000)	500,000	(3,580,000)

Notes:

(1) The remaining Proposition 13 funds consist of \$1.4 M in restricted funds and \$0.65 M in unrestricted funds. The unrestricted funds will pass directly from the State to the Corps of Engineers to help satisfy local matching requirements and will not pass through the SBFCFA budget.

Sutter-Butte Flood Control Agency
BUDGET ESTIMATES - 2008-09 - 2009-10 - 2010-11

	2007-08 Estimated	2008-09 Projected	2009-10 Projected	2010-11 Projected	Total Projected	<u>Memorandum</u>
Operating Budget Estimates - 2008-09 - 2009-10 - 2010-11						
Staffing:						
1. Executive Director	55,911	120,000	120,000	120,000	360,000	By contract or permanent employee
2. Attorney	20,000	75,000	75,000	75,000	225,000	By contract with a legal firm
3. Analyst/Administrative Assistant	20,000	50,000	50,000	50,000	150,000	By contract with Sutter County
4. Clerk/Secretary	20,000	50,000	50,000	50,000	150,000	By contract with Sutter County
5. Engineering Coordinator						
Sub-Total	115,911	295,000	295,000	295,000	885,000	
County/City Services:						
1. Budget/Accounting/Finance	2,000	5,000	5,000	5,000	15,000	By contract with Yuba City
2. Engineering/Public Works	9,000	10,000	10,000	10,000	30,000	By contract with Sutter County and Yuba City
3. Human Resources/Risk Management						
4. Other		5,000	5,000	5,000	15,000	By contract with Sutter County and Yuba City
Sub-Total	11,000	20,000	20,000	20,000	60,000	
Services and Supplies:						
1. Insurance	20,943	21,000	22,000	23,000	66,000	Provided by CSAC-EIA
2. Travel/Meals		5,000	10,000	10,000	25,000	Estimated direct expense
3. Office Expenses		5,000	5,000	5,000	15,000	Estimated direct expense
4. Telephone		5,000	5,000	5,000	15,000	Estimated direct expense
5. Technology		5,000	5,000	5,000	15,000	Estimated direct expense
6. Supplies		5,000	5,000	5,000	15,000	Estimated direct expense
7. Publications/Memberships	100	2,000	2,000	2,000	6,000	Estimated direct expense
8. Professional Services	60,210	150,000	200,000	200,000	550,000	Provided by independent contractors
Sub-Total	81,253	198,000	254,000	255,000	707,000	
Capital/Small Equipment Items:						
1. Miscellaneous		10,000	10,000	10,000	30,000	Estimated direct expense
Contingency - 15%:	23,241	78,450	86,850	87,000	252,300	15% times the above sub-totals
Operating Budget Totals	231,405	601,450	665,850	667,000	1,934,300	
Capital Budget Estimates - 2008-09 - 2009-10 - 2010-11						
USACE Feasibility Study:						
Proposition 13 Funds		1,000,000	400,000		1,400,000	
Proposition 84 Funds			300,000	250,000	550,000	
Local Cash Requirement		200,000	300,000	250,000	750,000	
Sub-Total USACE Budget Estimates	-	1,200,000	1,000,000	500,000	2,700,000	
Contributions to LD 1 for Set Back Levee at Star Bend	920,000	2,500,000	1,080,000		3,580,000	
Preparation of Proposition 218 Assessment Engineer's Report		100,000	300,000		400,000	
Proposition 218 Election Costs		100,000	500,000		600,000	
Engineering Design Cost for Early Implementation Projects			500,000		500,000	
Capital Budget Totals	920,000	3,900,000	3,380,000	500,000	7,780,000	
Grand Totals	1,151,405	4,501,450	4,045,850	1,167,000	9,714,300	

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LOCAL CASH REQUIREMENTS
2008-09 – 2009-10 – 2010-11

Local Cash Requirements to Support Budget

2008-09 - 2009-10 - 2010-11

	2008-09 Projected	2009-10 Projected	2010-11 Projected	Total Projected
<u>Total requirements for Fiscal Year</u>	4,501,450	4,045,850	1,167,000	9,714,300
<u>Less contributions to LD 1 (Already appropriated)</u>	(2,500,000)	(1,080,000)		(3,580,000)
<u>Less State Proposition 13 funds (Already approved - See note 1)</u>	(1,000,000)	(400,000)		(1,400,000)
<u>Less Proposition 84 funds (Planned)</u>		(300,000)	(250,000)	(550,000)
<u>Less prior year carryover funds</u>	(284,895)			(284,895)
<u>Total local cash requirements for Fiscal Year</u>	716,555	2,265,850	917,000	3,899,405
<u>One half of local cash requirements per JPA</u>	358,278	1,132,925	458,500	1,949,703
<u>One third of local cash requirements per JPA</u>	238,852	755,283	305,667	1,299,802

Notes:

(1) The remaining Proposition 13 funds consist of \$1.4 M in restricted funds and \$0.65 M in unrestricted funds. The unrestricted funds will pass directly from the State to the Corps of Engineers to help satisfy local matching requirements and will not pass through the SBFCA budget.

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SUTTER - BUTTE FLOOD CONTROL AGENCY

June 11, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Approval of the Minutes for the Regular Board of Directors Meeting of May 14, 2008.

We have attached the proposed minutes for the Board of Director's Special meeting of May 14, 2008 for your review, modification, and/or approval.

Recommendation

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

Thank You.

**MINUTES OF THE BOARD OF DIRECTORS OF THE
SUTTER-BUTTE FLOOD CONTROL AGENCY
MAY 14, 2008**

The Sutter-Butte Flood Control Agency (Agency) Board of Directors, State of California, met on the above date in regular session at 1:30 p.m. in the Conference Room of the Yuba-Sutter Economic Development Corporation located at 1227 Bridge Street, Suite C, Yuba City, California.

MEMBERS PRESENT: Sutter County: Dan Silva, Larry Montna
Butte County: Curt Josiassen
City of Yuba City: John Miller
City of Gridley: Marlena Sparks
City of Biggs: Jon Crawford, Alternate
Levee District 1: Francis Silva; Al Montna-arrived at 1:50 p.m.
Levee District 9: Dave Schmidl, David Lamon-arrived at 1:35 p.m.

MEMBERS ABSENT: Directors Kash Gill, City of Yuba City; Harold Childers, City of Live Oak; Bill Connelly, Butte County; and John Busch, City of Biggs

STAFF PRESENT: Bill Edgar, Interim Executive Director; Jaime Veglia, Administrative Analyst; Janet Bender, Deputy Sutter County Counsel; and Karna-Lisa Aucoin, Deputy Clerk of the Board

REGULAR SESSION

Chairman John Miller called the meeting to order and asked the Clerk to call the roll, noting that Directors Kash Gill, Harold Childers, Bill Connelly, and John Busch and were absent.

Chairman Miller requested that Director Marlena Sparks lead the Board and the audience in the Pledge of Allegiance to the Flag.

DISCUSSION AND ACTION ITEMS

1) Approval of the Minutes

On motion of Director David Schmidl, seconded by Director Dan Silva and carried by those present, the Board approved the minutes of the April 16, 2008 special session as presented.

Chairman Miller noted that Agenda Item No. 7 will be considered before Agenda Item No. 6 is heard.

2) **CSAC-Excess Insurance Authority -
Joint Powers Agreement and Memorandum of Understanding Excess Liability Program**

Bill Edgar, Interim Executive Director, reviewed the staff report and explained that the California State Association of Counties Excess Insurance Authority (CSAC-EIA) Board approved insurance coverage for the Agency. He said this Joint Powers Agreement and Memorandum of Understanding are necessary in order to obtain the liability insurance. He referred to the attachment to the staff report which outlined the limits of liability. Mr. Edgar reviewed the cost of coverage and noted the Agency is required to obtain a Third Party Administrator (TPA) to handle any claims. He said that CSAC-EIA is assisting with the TPA and noted that a recommendation for a TPA will be brought back for consideration at the Agency's June 11, 2008 meeting. In closing, Mr. Edgar reviewed the recommended action.

On motion of Director Dan Silva, seconded by Director Curt Josiassen and carried by those present, the Board adopted the CSAC-Excess Insurance Authority Joint Powers Agreement (SBFCA 08-009); adopted the Memorandum of Understanding Excess Liability Program (SBFCA 08-010); and authorized the Chairman to sign both documents.

3) **Agreement with Downey Brand**

Bill Edgar, Interim Executive Director, reviewed the staff report and noted the Board had previously approved an agreement with Downey Brand for legal services subject to minor changes approved by both Downey Brand and the Agency's General Counsel. Mr. Edgar explained that Downey Brand requested that certain changes be made to the contract which could only be made, in the opinion of the General Counsel, after the Agency obtained its own insurance. He noted that since the Agency has now obtained insurance from the California State Association of Counties Excess Insurance Authority, and the Board has now approved the contract the Agreement with Downey Brand can be amended to incorporate the changes requested by Downey Brand and will become effective July 1, 2008 to coincide with the new insurance coverage for the Agency.

On motion of Director Larry Montna, seconded by Director Marlana Sparks and carried by those present, the Board approved the Agreement (SBFCA 08-011) with Downey Brand subject to minor changes approved by both Downey Brand and Agency Counsel; and authorized the Chairman to sign the Agreement.

4) **Designation of October, 2008 as Flood Awareness Month**

Bill Edgar, Interim Executive Director, noted that at last month's meeting Michael Picker, of Lincoln Crow, expressed interest in designating October 2008 as Flood Awareness Month. He stated that this matter is now being brought to the Board for consideration and possible action. Mr. Edgar noted many activities would take place involving the community, and said publications would be prepared as part of the outreach efforts.

RESOLUTION NO. 08-001, A RESOLUTION DESIGNATING OCTOBER 2008 AS FLOOD AWARENESS MONTH was adopted on motion of Director David Schmidl, seconded by Director David Lamon and carried by those present as appears of record in the office of the Clerk of the Board in SBFCA Resolution Book 1 at Page 2 to which record reference is hereby made for further particulars and by such reference incorporated herein and made a part hereof.

5) **Authorization for Executive Director to Sign USACE Feasibility Study Documents**

Bill Edgar, Interim Executive Director, said that many individuals have been involved in the re-start of the United States Army Corps of Engineers (USACE) Feasibility Study for the Sutter Basin. He noted that the study had been stalled since 2006. Mr. Edgar said that the Corps of Engineers has now signed off on the Project Management Plan which is the key document that describes the modifications to the scope of work and the budget. He explained the recommended action is to adopt a resolution that would allow him authority to sign and amend the USACE Feasibility Study Documents to get the study re-started as soon as possible.

Discussion ensued regarding the cost of the work necessary to complete the Study, which will take place over the next three years. The local share is currently estimated at \$2.8 million, of which \$2.05 million will be met using a Proposition 13 grant, with the remaining \$.75 million to be in cash.

Steve Jepsen, City Manager, City of Yuba City, noted the importance of getting the project started and to keep the process moving.

Discussion with regard to timelines ensued and Doug Gault, Sutter County Public Works Director, noted that getting to milestone F4 in approximately one year will be a key point, after which the Flood Control Agency can apply for funds to begin projects that could be started early under the rules and regulations set forth by the State and the Corps of Engineers. Chairman Miller noted the importance of the Sutter-Butte Flood Control Agency staying organized and engaged as a group in order to keep the process moving and to present a united front to the State and Federal governments.

RESOLUTION NO. 08-002, A RESOLUTION AUTHORIZING INTERIM EXECUTIVE DIRECTOR APPROVAL AUTHORITY OF USACE SUTTER BASIN FEASIBILITY STUDY DOCUMENTS was adopted on motion of Director Curt Josiassen, seconded by Director Dan Silva and carried by those present as appears of record in the office of the Clerk of the Board in SBFCA Resolution Book 1 at Page 4 to which record reference is hereby made for further particulars and by such reference incorporated herein and made a part hereof.

7) **Approval of Proposed Budget for FY 2008-09 and Set Public Hearing**

Bill Edgar, Interim Executive Director, reviewed the staff report and explained the process for adopting the Budget. He noted that the proposed budget was now being distributed and he explained the recommended action.

On motion of Director Marlena Sparks, seconded by Director David Schmidl and carried by those present, the Board approved the Sutter-Butte Flood Control Agency's Proposed Budget for Fiscal Year 2008-09; set the noticed Public Hearings regarding the adoption of the Final Budget to commence on June 11, 2008, at 1:30 p.m. at the Yuba-Sutter Economic Development Corporation located at 1227 Bridge Street, Suite C, Yuba City, and continuing as required for a 14-day successive period; and directed the Interim Executive Director to have sufficient copies of the approved Proposed Budget available to meet public demand.

There being no other action items, Director Curt Josiassen retired from the meeting at 1:55 p.m.

6) **Presentation by the Department of Water Resources**

Bill Edgar, Interim Executive Director, reviewed the staff report and explained that with the passage of AB 142, and Propositions 84 and 1E, the Department of Water Resources (DWR) has been conducting field investigations of State/Federal levees in the Central Valley. He explained all of DWR's work is being performed by DWR staff and their contractors using State money, with no local cost share. Mr. Edgar noted these results are very preliminary and a Final Geotechnical Evaluation Report will be compiled in about one year. Mr. Edgar introduced Steve Mahnke, Chief of the Levee Evaluations Branch of the Department of Water Resources.

Steve Mahnke began a PowerPoint presentation noting the focus is on urban levee evaluation. He explained that "urban" is defined as: if a levee break occurs, over 10,000 people would be inundated. Mr. Mahnke said the purpose of the evaluations is to identify hidden deficiencies in levees that protect urban areas. He noted geotechnical areas of evaluation such as seepage, static and seismic stability settlement, and erosion. He spoke of other work including data gathering, informing the State Plan of Flood Control, preliminary design and cost alternatives for deficiencies noted, and supporting local efforts. Mr. Mahnke reviewed the overall work flow and said more boring work will take place in January of 2009; after that, they will prepare the Final Geotechnical Evaluation Report by May of 2009. Mr. Mahnke introduced Scott Rice who coordinates activities for the northern central valley and is the first point of contact for local agencies. He also introduced Claudio Avila, DWR Levee Evaluation North Manager, whose areas are Sutter, Marysville, and RD 784. Mr. Mahnke then turned the presentation over to Rick Stauber of DWR.

Mr. Stauber, with DWR, said the evaluation work is taking place on 67 miles of levee. He explained various methods of gathering data and displayed maps showing LiDAR data, Geophysical data, and discussed preliminary results. Mr. Stauber displayed diagrams and discussed the way in which various seepage issues and levee instability occurs. He explained the status of the explorations noting that Phase 1 Crest Explorations and Expedited Supplemental Explorations are completed; and Proposed Urban Supplemental Exploration should be completed in August. He displayed maps showing preliminary data showing areas where the results indicate a need for strengthening, are inconclusive, or meet the program criteria. In conclusion, Mr. Stauber said this is a large effort and they are a little over half way through.

Discussion followed with regard to which direction flow would go should a levee break occur. Director Dan Silva stated he would like to see 200-year protection attained. Direction of flow during previous levee breaks, and data from the preliminary geotechnical analysis were discussed.

Bill Edgar expressed concern with regard to the early implementation projects on which the Agency is currently working. He said it is his hope that the Corps of Engineers doesn't make changes to its requirements after work has been started, and that all of the information, material, and data will be assembled and used for all of the studies that are now underway.

Further discussion regarding timelines and obtaining levee certification took place. In answer to a question by Jeff Twitchell, Engineer for LD1, Mr. Mahnke said the non-urban areas would likely be addressed in one to two years. In answer to another question, he said the standards of FEMA and the Corps of Engineers are different, but the data being obtained would be usable toward obtaining certification.

Mr. Mahnke said the Draft Report that is completed this June would include recommendations and points of concern.

Mr. Edgar noted the importance of keeping this project going, and discussion ensued with regard to timing to complete the final study

Chairman Miller thanked the DWR staff for their efforts and the presentation.

8) **Placement of Items for June 11, 2008 Meeting**

Bill Edgar, Interim Executive Director, stated the next meeting is scheduled at 1:30 p.m. on June 11, 2008 at the same location.

Items for the next meeting Agenda include:

- 1) approval of minutes
- 2) adoption of the Final Budget
- 3) a consultant contracts for 2008-09
- 4) a presentation on the Feasibility Study by the Colonel from the Corps of Engineers

PUBLIC COMMENT

Sally Serger noted that levee tours sponsored by Levee District 1, the City of Yuba City, and Pro-Act, that would be taking place at the end of the Month. She said interested individuals could speak with her to sign up.

There were no further comments from those in the audience.

OTHER BUSINESS -- BOARD OF DIRECTORS

With no further business coming before the Board, the meeting was adjourned at 2:50 p.m.

JOHN MILLER, CHAIRMAN

ATTEST:

By _____
Karna-Lisa Aucoin
Deputy Clerk of the Board of Supervisors
County of Sutter

SUTTER - BUTTE FLOOD CONTROL AGENCY

June 11, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Approve Contract Amendment With Peterson-Brustad, Inc.

Background

Peterson-Brustad Inc. has been working with the Agency since March 2008 and has become an integral and instrumental member of the Agency. As we enter FY 2008-09 it is necessary to amend the contract with Peterson-Brustad Inc. by increasing the not to exceed amount from \$50,000 to \$100,000.

Peterson-Brustad Inc. will continue their efforts relating to, but not limited to, the ongoing Sutter Basin Feasibility Study, the FEMA map modernization efforts, studies and documents as required for compliance with FEMA regulations, and will review flood management/flood control studies, designs, and construction by others.

Recommendation

Approve a contract amendment with Peterson-Brustad Inc. for flood management services.

Thank you.

First Amendment to Agreement for Engineering Services

This First Amendment (Amendment) to the Agreement for Engineering Services (Agreement) modifies the Agreement dated March 1, 2008, between Sutter-Butte Flood Control Agency ("Agency"), and Peterson Brustad, Inc., ("Consultant"). The Agreement is attached as Exhibit "A" and incorporated by reference.

Recitals

- A. The parties to this Amendment entered into the Agreement on the 1st of March, 2008, for engineering services, and;
- B. The parties now desire to increase the amount of compensation of the Agreement.

THEREFORE, the parties agree as follows:

The first sentence of section 3.A of the Agreement shall be modified to read as follows effective June 11, 2008:

"Compensation: The compensation to be paid by Agency to Consultant for services as described in Exhibit 'A' shall be in accordance with Consultants Rate Schedule provided in Exhibit 'B', but not to exceed One Hundred Thousand Dollars (\$100,000)."

All other terms and conditions of the Agreement not modified by this Amendment remain in full force and effect.

SUTTER BUTTE FLOOD CONTROL AGENCY

CONSULTANT

Peterson Brustad, INC.

By: _____
Larry Montna
Vice-Chairman

By: _____
DAVID PETERSON
Consultant

DATED: _____

DATED: _____

APPROVED AS TO FORM:

By: _____
Agency Counsel

AGREEMENT FOR ENGINEERING SERVICES

THIS AGREEMENT is made and entered into this 1ST day of March, 2008, by and between Sutter-Butte Flood Control Agency ("Agency"), and Peterson Brustad, Inc., ("Consultant").

RECITALS:

- A. Agency has determined that it is desirable to retain a Consultant for flood management services; and
- B. Consultant represents that it possesses the qualifications, experience, and facilities necessary to perform the services contemplated herein and has proposed to provide those services; and
- C. The Agency desires to retain Consultant to perform the proposed services.

AGREEMENT:

Agency and Consultant agree as follows:

- 1. Scope of Services. Consultant shall provide the engineering services as described in Exhibit 'A', during the term described in Section 2, and for the compensation described in Section 3.
- 2. Term of Agreement. Consultant shall begin performance of its services as of the date of execution of this agreement and shall continue until the project is completed as agreed or the agreement is terminated pursuant to the provisions of Paragraph 17, below.
- 3. Compensation.
 - A. The compensation to be paid by Agency to Consultant for services as described in Exhibit 'A' shall be in accordance with Consultants Rate Schedule provided in Exhibit 'B', but not to exceed Fifty Thousand Dollars (\$50,000). Consultant shall be reimbursed for out-of-pocket expenses incurred for travel, postage and delivery, and long-distance telephone charges. Consultant shall provide Agency with an itemized statement of expenses by category of expense as part of each monthly billing statement.
 - B. The Agency shall make no payment to Consultant in any greater amount for any extra, further, or additional services, unless such services and payment therefore have been mutually agreed to and this Agreement has been formally amended in accordance with Section 21.
 - C. Consultant agrees to testify at Agency's request if litigation is brought against Agency in connection with Consultant's work. Unless the action is brought by Consultant or is based upon Consultant's negligence or intentional tortious conduct, Agency will compensate Consultant for the testimony at Consultant's hourly rate as provided in Exhibit 'B'.

4. Invoice, Payments, Notices. Consultant shall submit monthly invoices for services rendered during the preceding month and expenses incurred. The Agency shall pay invoices that are undisputed within thirty (30) days of receipt and approval. The parties agree to exercise good faith and diligence in the resolution of any disputed invoice amounts.

All invoices, notices, or other documents concerning this Agreement shall be served as follows:

If to the Agency:

Sutter Butte Flood Control Agency
Jaime Veglia
Administrative Analyst
County of Sutter
1160 Civic Center Blvd, Suite A
Yuba City, CA 95993

If to Consultant:

Peterson Brustad, Inc.
1180 Iron Point Road, Suite 260
Folsom, Ca 95930

5. Independent Contractor.

A. Consultant (including Consultant's employees) is an independent contractor and no relationship of employer-employee exists between the parties. The Agency is not required to make any deductions or withholdings from the compensation payable to Consultant under the provisions of this Agreement, and as an independent contractor, Consultant indemnifies and holds the Agency harmless from any and all claims that may be made against the Agency based upon any contention by any third party that an employer-employee relationship exists by reason of this agreement.

B. Consultant, in the performance of its obligation hereunder, is subject to the control or direction of the Agency as to the designation of tasks to be performed and the results to be accomplished but not as to the means and methods used by Consultant for accomplishing the results.

C. If, in the performance of this Agreement, any third persons are employed by Consultant, such person shall be entirely and exclusively under the direction, supervision, and control of Consultant. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging, or any other terms of employment or requirements of law, shall be determined by Consultant.

D. As an independent contractor and not an employee of the Agency, Consultant shall have no right to act on behalf of the Agency as its agent or have the authority to bind the Agency to any obligation.

6. Authority of Consultant. It is understood that Consultant is to provide information, research, advice, recommendations, and consultation services to the Agency. Consultant shall possess no authority with respect to any Agency decision. The Agency is responsible for and shall make all governmental decisions related to work of Consultant.

7. Subcontracting and Assignment. Consultant shall not subcontract or assign any portion of the work to be performed under this agreement without the prior written consent of Agency.

8. Ownership of Work Product. All technical data, evaluations, plans, specifications, reports, documents, or other work products of Consultant shall become the property of the Agency and shall be delivered to the Agency upon completion of services. Consultant may retain copies for its files and internal use, however, Consultant shall not disclose any of the work product of this Agreement to any third party, person, or entity, without prior written consent of the Agency. Upon reasonable notice, Agency representatives shall have access to the work for purposes of inspecting same and determining that the work is being performed in accordance with the terms of the Agreement. Consultant may not publish information obtained in connection with services rendered under this Agreement.

9. Indemnification. To the fullest extent allowed by law, Consultant shall indemnify, defend, and hold harmless Agency, its officers, employees, and agents from any and all claims, loss, costs, expenses (including, but not limited to, attorney's fees and costs incurred by the Agency), injury, or damage, which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant, its employees, officers, or agents, or any of its subcontractors or subconsultants used in performance of this Agreement.

10. Insurance. Without limiting Consultant's indemnification of the Agency, Consultant shall provide and maintain at its own expense during the term of this Agreement the following insurance coverages and provisions:

A. Prior to commencement of this Agreement, Consultant shall provide certificates of insurance certifying that all coverage as required herein has been obtained and remains in force for the period required by this Agreement. Any required endorsement shall be attached to the Certificate or certified as issued on the Certificate. All Certificates of Insurance shall be sent to the following address:

Sutter Butte Flood Control Agency
Jaime Veglia
Administrative Analyst
County of Sutter
1160 Civic Center Blvd, Suite A
Yuba City, CA 95993

Consultant shall not proceed with the work under this Agreement until it has obtained all insurance required and Certificates of Insurance have been provided to Agency. All Certificates of Insurance

shall provide that the Agency shall receive thirty (30) days advance written notice of cancellation or major modification before the expiration date.

B. Should, consistent with the terms of this Agreement, any of the work under this Agreement be subcontracted, Consultant shall require each of its subcontractors to provide the insurance required herein, or Consultant may name the subcontractors as additional insureds under its own policies.

C. Insurance Required:

(i) Comprehensive General Liability Insurance or Commercial General Liability Insurance for bodily injury (including death) and property damage which provides limits of not less than one million dollars (\$1,000,000) each occurrence and written on an occurrence basis. If the insurance has a General Aggregate it must be no less than two million dollars (\$2,000,000). Each type of insurance shall include coverage for premises/operations, products/completed operations, contractual liability, broad form property damage, and personal injury.

For either type of general liability insurance, coverage shall include the following endorsements:

a. Additional Insured Endorsement: Insurance afforded by this policy shall also apply to the Agency, and members of the Board of Directors of the Agency, the officers, agents and employees of the Agency, individually and collectively, as additional insureds.

b. Primary Insurance Endorsement: Insurance afforded by the Additional Insured Endorsement shall apply as primary insurance, and other insurance maintained by the Agency, its officers, agents and employees shall be excess only and not contributing with insurance provided under this policy.

c. Notice of Cancellation or Change of Coverage Endorsement: Insurance provided by this policy shall not be cancelled or changed so as to no longer meet the specified Agency insurance requirements without thirty (30) days prior written notice of such cancellation or change being delivered to the Agency at the address as specified above.

d. Severability of Interest Endorsement: Insurance provided by this policy shall apply separately to each insured who is seeking coverage or against whom a claim is made or a suit brought, except with respect to the policy's limits of liability.

(ii) Automobile Liability Insurance for bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned, and hired vehicles.

(iii) Workers' Compensation and Employer's Liability Insurance with statutory California Workers' Compensation coverage and Employer's Liability coverage of not less than one million dollars (\$1,000,000) per occurrence for all employees engaged in services or operations under this Agreement. Coverage shall include an endorsement whereby the insurer agrees to waive all rights of subrogation against the Agency, Board of Directors, and officers, officials, employees and volunteers of Agency for losses arising from work performed by the Consultant under this Agreement.

(iv) Professional Errors and Omissions Liability Insurance in an amount not less than one million dollars (\$1,000,000) and written on an occurrence basis. If coverage is written on a claims made basis, such policy shall provide that:

a. The policy retroactive date coincides with or precedes Consultant's start of work (including subsequent policies purchased as renewals or replacements).

b. If the policy is terminated for any reason during the term of this Agreement, Consultant shall either purchase a replacement policy with a retroactive date coinciding with or preceding the retroactive date of the terminating policy, or shall purchase an extended reporting provision of at least two years to report claims arising from work performed in connection with this Agreement and a replacement policy with a retroactive date coinciding with or preceding the expiration date of the terminating policy.

c. If this Agreement is terminated or not renewed, Consultant shall maintain the policy in effect on the date of termination or non-renewal for a period of not less than two years therefrom. If that policy is terminated for any reason during the two year period, Consultant shall purchase an extended reporting provision at least covering the balance of the two year period to report claims arising from work performed in connection with this Agreement or a replacement policy with a retroactive date coinciding with or preceding the retroactive date of the terminating policy.

All Professional Liability policies maintained pursuant to this section shall either be endorsed to name the Agency, members of the Board of Directors of the Agency, its officers, agents and employees, individually and collectively, as additional insureds, or be endorsed to provide that the insurance provided by the policy shall apply to liability assumed by Consultant under written contract with the Agency.

11. Professional Services: The work shall be performed and completed in a professional manner. All services shall be performed in the manner and according to the professional standards observed by a competent practitioner of the profession in which Consultant and any subcontractors are engaged.

12. Responsibility of Consultant. Consultant shall be solely responsible for the quality and accuracy of its work and the work of its consultants performed in connection with this Agreement. Any review, approval, or concurrence therewith by the Agency shall not be deemed to constitute acceptance or waiver by the Agency of any error or omission as to such work.

Consultant shall coordinate the activities of all sub-consultants and is responsible to ensure that all work products are consistent with one another to produce a unified, workable, and acceptable whole functional product.

Agency shall promptly notify Consultant of any defect in Consultant's performance.

13. Audit. The following audit requirements apply from the effective date of this Agreement until three years after Agency's final payment:

A. Consultant shall allow Agency's authorized representatives' reasonable access during normal business hours to inspect, audit, and copy Consultant's records as needed to evaluate and verify any invoices, payments, and claims that Consultant submits to Agency or that any payee of Consultant submits to Consultant in connection with this Agreement. 'Records' includes, but is not limited to, correspondence, accounting records, sub-consultant files, change order files, and any other supporting evidence relevant to the invoices, payments, or claims.

B. Agency and Consultant shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency. Such examinations and audits shall be confined to matters connected with the performance of this Agreement including but not limited to administration costs.

This section shall survive the expiration or termination of this Agreement.

14. Publication of Documents and Data. Consultant shall not publish or disclose to any third party documents or data without the prior written consent of the Agency. However, submission or distribution to meet official regulatory requirements, or for other purposes authorized by this agreement, shall not be construed as publication in derogation of the rights of either the Agency or Consultant.

15. Interest of Consultant. Consultant covenants that it has, at the time of the execution of this Agreement, no interest, and that it shall not acquire any interest in the future, direct or indirect, which would conflict in any manner with the performance of services required to be performed pursuant to this Agreement. Consultant further covenants that in the performance of this work, no person having any such interest shall be employed.

16. Employment Practices. Consultant, by execution of this Agreement, certifies that it does not discriminate against any person upon the basis of race, color, creed, national origin, age, sex, disability, or marital status in its employment practices.

17. Termination. Either party shall have the right to terminate this Agreement at any time by serving upon the other party ten (10) days advance written notice of termination. The notice shall be deemed served and effective for all purposes on the date it is deposited in the United States mail, postage prepaid and addressed to the Agency or Consultant at the address indicated in Section 4. In the event of termination:

A. Consultant shall immediately cease rendering services pursuant to this Agreement.

B. Consultant shall deliver to the Agency copies of all writings prepared pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, drawings, blueprints, printing, photostating, photographing, electronic messages or other documents and every other means of recording upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, or symbols or combinations thereof. All materials provided to the Agency upon termination become the property of the Agency.

C. Consultant shall be paid for any required services satisfactorily completed prior to the date of termination less compensation, if any, to Agency for damages suffered as a result of Consultant's failure to comply with the terms of this agreement.

18. Jurisdiction. This agreement shall be administered and interpreted under the laws of the State of California and any action brought hereunder shall be brought in the Superior Court of Sutter County.

19. Conflict with Laws or Regulations/Severability. This agreement is subject to all applicable laws and regulations. If any provision of this agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the agreement to either party is lost, the agreement may be terminated at the option of the affected party. In all other cases, the remainder of the agreement shall continue in full force and effect.

20. Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

21. Amendments. Any amendment to this Agreement must be in writing and executed by both parties.

22. Entire Agreement. This Agreement, all exhibits attached hereto, all other terms or provisions incorporated herein by reference, and any notice to proceed issued in accordance with the terms hereof constitute the entire Agreement and understanding between the Agency and Consultant as to the subject matter hereof and supersedes all prior oral and written agreements.

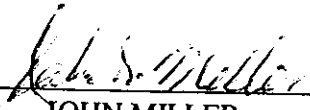
23. Successors and Assigns. This agreement shall be binding upon and shall inure to the benefit of any successors to or assigns of the parties.

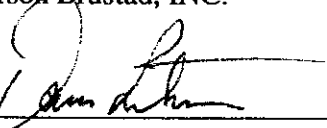
24. Construction. This agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply in interpreting this Agreement.

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

CONSULTANT
Peterson-Brustad, INC.


By: 
JOHN MILLER
Chairman

By: 
DAVID PETERSON
Consultant

DATED: 4-2-08

DATED: 4/2/08

APPROVED AS TO FORM:

By: 
Agency Counsel

SUTTER - BUTTE FLOOD CONTROL AGENCY

June 11, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Approval of Contract Amendment with Lincoln Crow for Public Information, Education, and Strategic Communications Services

Background

Lincoln Crow, Strategic Communications has been working with the Agency since January 2008 by developing a public outreach program and scheduling public presentations to community leaders on behalf of the Agency. They have explained the Agency's role to the media and to the community using some elected officials and community leaders to assist in the presentations. Finally, they have also been working with the Sutter County and the Yuba City staffs, where appropriate, to provide outreach and public information services.

It is critical to continue and maintain the continuity of these services at this time. As we move into FY 2008-09, we believe that it is very important to continue the public information and educational programs pertaining to the flood risk facing the community, what is now being done to address the risk, and what the potential cost will be to ensure a reasonable level of flood protection for the residents of this area of Sutter and Butte counties.

Therefore, it seems prudent that the Flood Control Agency continue the existing contract with Lincoln Crow. We propose a second amendment to the contract for public information, educational and strategic communication services with Lincoln Crow for an amount not to exceed \$75,000.

Recommendation

We recommend that the Board of Directors approve the proposed contract amendment and authorize the Vice-Chairman to sign the contract.

Thank you.

Second Amendment to Agreement for Communications Consulting Services

This Second Amendment (Amendment) to the Communications Consulting Services Agreement ("Agreement") modifies the Agreement dated January 1, 2008 between Sutter-Butte Flood Control Agency ("Agency"), and Lincoln Crow Strategic Communications, LLC ("Consultant"). The Agreement and First Amendment to the Agreement are attached as Exhibit "A" and incorporated by reference.

Recitals

- A. The parties to this Amendment entered into the Agreement on the 1st of January, 2008, for communications consulting services, and;
- B. The parties amended the Agreement effective February 13, 2008; and,
- C. The parties now desire to increase the amount of compensation of the Agreement.

THEREFORE, the parties agree as follows:

Section 3.A of the Agreement shall be modified to read in its entirety as follows effective June 11, 2008:

“Compensation: The compensation to be paid by Agency to Consultant for consulting support shall not exceed Seventy Five Thousand Dollars (\$75,000). This fee is inclusive of all travel expenses and all other out-of-pocket expenses of any kind.”

All other terms and conditions of the Agreement not modified by this Amendment remain in full force and effect.

SUTTER-BUTTE
FLOOD CONTROL AGENCY

CONSULTANT
LINCOLN CROW STRATEGIC
COMMUNICATIONS, LLC

By: _____
Larry Montna
Chairman

By: _____
MICHAEL PERRI
President

DATE: _____

DATE: _____

APPROVED AS TO FORM:

By: _____
Agency Counsel

**FIRST AMENDMENT TO
COMMUNICATIONS CONSULTING SERVICES AGREEMENT**

This First Amendment to Communications Consulting Services Agreement ("Amendment") modifies the Communications Consulting Services Agreement dated January 1, 2008 between Sutter-Butte Flood Control Agency ("Agency") and Lincoln Crow Strategic Communications, LLC ("Agreement"), a copy of which is attached as Exhibit "A" and incorporated by reference.

RECITALS:

A. The parties to this Amendment entered into the Agreement on the 1st day of January, 2008 for consulting services regarding public policy proposals that enhance local flood protection; and

B. The parties now desire to increase the compensation term of the Agreement;

**NOW, THEREFORE, THE PARTIES MUTUALLY AGREE AS
FOLLOWS:**

Section 3 of the Agreement shall be modified to read in its entirety as follows, effective February 13, 2008:


"3. Compensation. The compensation to be paid by Agency to Consultant for consulting support shall not exceed Fifty-Five Thousand Dollars (\$55,000). This fee is inclusive of all travel expenses and all other out-of-pocket expenses of any kind."

All other terms and conditions of the Agreement not modified by this Amendment remain in full force and effect.

SUTTER-BUTTE
FLOOD CONTROL AGENCY

CONSULTANT
LINCOLN CROW STRATEGIC
COMMUNICATIONS, LLC

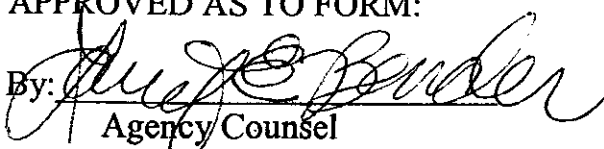
By: 
JOHN MILLER
Chairman

By: 
MICHAEL PERRI
President

DATE: 2/13/08

DATE: 2/25/08

APPROVED AS TO FORM:

By: 
Agency Counsel

COMMUNICATIONS CONSULTING SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this 1st day of January, 2008, by and between Sutter-Butte Flood Control Agency ("Agency"), and Lincoln Crow Strategic Communications, LLC ("Consultant").

RECITALS:

A. Agency has determined that it is desirable to retain a Consultant to advise and assist on public policy proposals that enhance local flood protection; and

B. Consultant represents that it possesses the qualifications, experience, and facilities necessary to perform the services contemplated herein and has proposed to provide those services; and

C. Agency desires to retain Consultant to perform the proposed services.

AGREEMENT:

Agency and Consultant agree as follows:

1. Scope of Services. Consultant shall provide the detailed services as set forth in Exhibit A, attached and incorporated by reference, during the term described in Section 2, and for the compensation in Section 3.

2. Term of Agreement. This Agreement shall commence on January 1, 2008, and shall terminate on July 31, 2008 or until the Agreement is terminated pursuant to the provisions of Section 17, below.

3. Compensation. The compensation to be paid by Agency to Consultant for consulting support shall not exceed Fifty Thousand Dollars (\$50,000). This fee is inclusive of all travel expenses and all other out-of-pocket expenses of any kind.

4. Invoice, Payments, Notices. Consultant shall submit monthly invoices for services rendered during the preceding month. The Agency shall pay invoices that are undisputed within thirty (30) days after adoption of a budget by the Agency, not to exceed ninety (90) days after inception of the Agency, and then thirty (30) days of receipt and approval of the invoice. The parties agree to exercise good faith and diligence in the resolution of any disputed invoice amounts.

All invoices, notices, or other documents concerning this Agreement shall be served as follows:

If to the Agency:

Sutter-Butte Flood Control Agency
William H. Edgar, Interim Executive Director
1227 Bridge Street, Suite C
Yuba City, CA 95993

If to Consultant:

Michael Perri, President
Lincoln Crow Strategic Communications, LLC
2001 P Street
Sacramento, California 95814

5. Independent Contractor.

It is understood and agreed, and is the intention of the parties hereto, that Consultant is an independent contractor, and not the employee or agent of Agency for any purpose whatsoever. Agency shall have no right to and shall not control the manner or prescribe the method by which the professional services are performed by Consultant herein, except as are expressly provided for herein. Consultant shall be entirely and solely responsible for his acts and the acts of his agents, employees, and subcontractors while engaged in the performance of services hereunder. Consultant shall have no claim under this agreement or otherwise against Agency for vacation pay, sick leave, retirement benefits, Social Security, workers compensation, disability, or unemployment insurance benefits or other employee benefits of any kind. The parties acknowledge that Agency shall not withhold from Consultant's compensation any funds for income tax, FICA, disability insurance, unemployment insurance or similar withholding and Consultant is solely responsible for the timely payment of all such taxes and related payments to the state and federal governments, for himself and for his employees, agents, and subcontractors who might render services in connection with this agreement. The Consultant shall inform all persons who perform any services pursuant to this agreement of the provisions of this section.

In the event that the Consultant's activities under this agreement, or any of them, are found by any state or federal agency to be those of an employee rather than an independent contractor, Consultant agrees to indemnify Agency and hold Agency harmless for any damages, costs, or taxes imposed upon it pursuant to the Internal Revenue Code or state or federal taxing laws, including but not limited to any penalties and interest which Agency may be assessed by such state or federal agency for failing to withhold from the compensation paid to Consultant under this agreement any amount which may have been required to be withheld by law.

Consultant further agrees that he shall provide to Agency documentation, including copies of income tax returns, satisfactory to the Agency evidencing payment by Consultant of state and federal income and other employment related taxes for any tax year during which services are rendered pursuant to this agreement.

6. Authority of Consultant. It is understood that Consultant is to provide information, research, advice, recommendations, and consultation services to the Agency. Consultant shall possess no authority with respect to any Agency decision. The Agency is responsible for and shall make all governmental decisions related to work of Consultant.

7. Subcontracting and Assignment. Consultant shall not subcontract or assign any portion of the work to be performed under this agreement without the prior written consent of Agency.

8. Ownership of Work Product. All technical data, evaluations, plans, specifications, reports, documents, or other work products of Consultant shall become the property of the Agency and shall be delivered to the Agency upon completion of services. Consultant may retain copies for its files and internal use, however, Consultant shall not disclose any of the work product of this Agreement to any third party, person, or entity, without prior written consent of the Agency. Upon reasonable notice, Agency representatives shall have access to the work for purposes of inspecting same and determining that the work is being performed in accordance with the terms of the Agreement. Consultant may not publish information obtained in connection with services rendered under this Agreement.

9. Indemnification. Consultant shall indemnify, defend, and hold harmless Agency, its officers, employees, and agents from any and all claims, loss, costs, expenses (including, but not limited to, attorney's fees and costs incurred by the Agency), injury, or damage caused by the negligent acts or omissions or intentional tortious conduct of Consultant, its employees, officers, or agents, or any of its subcontractors or subconsultants used in performance of this Agreement.

10. Insurance. Without limiting Consultant's indemnification of the Agency, Consultant shall provide and maintain at its own expense during the term of this Agreement the following insurance coverages and provisions:

A. Prior to commencement of this Agreement, Consultant shall provide certificates of insurance certifying that all coverage as required herein has been obtained and remains in force for the period required by this Agreement. Any required endorsement shall be attached to the Certificate or certified as issued on the Certificate. All Certificates of Insurance shall be sent to the following address:

Sutter-Butte Flood Control Agency
Bill Edgar, Interim Executive Officer
1227 Bridge Street, Suite C
Yuba City, CA 95993

Consultant shall not proceed with the work under this Agreement until it has obtained all insurance required. All Certificates of Insurance shall provide that the Agency shall receive thirty (30) days advance written notice of cancellation before the expiration date, except ten (10) days prior written notice for cancellation due to non-payment.

B. Should, consistent with the terms of this Agreement, any of the work under this Agreement be subcontracted, Consultant shall require each of its subcontractors to provide the insurance required herein, or Consultant may name the subcontractors as additional insureds under its own policies.

C. Insurance Required:

(i) Comprehensive General Liability Insurance or Commercial General Liability Insurance for bodily injury (including death) and property damage which provides limits of not less than one million dollars (\$1,000,000) each occurrence and written on an occurrence basis. If the insurance has a General Aggregate it must be no less than two million dollars (\$2,000,000). Each type of insurance shall include coverage for premises/operations, products/completed operations, contractual liability, broad form property damage, X/C/U hazards and personal injury.

For either type of general liability insurance, coverage shall include the following endorsements:

a. Additional Insured Endorsement: Insurance afforded by this policy shall also apply to the Agency of Sutter, and members of the Board of Supervisors of the Agency of Sutter, the officers, agents and employees of the Agency of Sutter, individually and collectively, as additional insureds.

b. Primary Insurance Endorsement: Insurance afforded by the Additional Insured Endorsement shall apply as primary insurance, and other insurance maintained by the Agency of Sutter, its officers, agents and employees shall be excess only and shall not contribute to insurance provided under this policy.

c. Notice of Cancellation or Change of Coverage Endorsement: Insurance provided by this policy shall not be cancelled so as to no longer meet the specified Agency insurance requirements without thirty (30) days written notice of such cancellation being delivered to the Agency at the address as specified above, except that ten (10) days prior written notice will be given due to non-payment.

d. Severability of Interest Endorsement: Insurance provided by this policy shall apply separately to each insured who is seeking coverage or against whom a claim is made or a suit brought, except with respect to the policy's limits of liability.

(ii) Automobile Liability Insurance for bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned, non-owned, and hired vehicles.

(iii) Workers' Compensation and Employer's Liability Insurance with statutory California Workers' Compensation coverage and Employer's Liability coverage

of not less than one million dollars (\$1,000,000) per occurrence for all employees engaged in services or operations under this Agreement. Coverage shall include an endorsement whereby the insurer agrees to waive all rights of subrogation against the Agency of Sutter, Sutter Agency Board of Supervisors, and officers, officials, employees and designated volunteers of Sutter Agency for losses arising from work performed by the Consultant under this Agreement.

(iv) Professional Errors and Omissions Liability Insurance in an amount not less than one million dollars (\$1,000,000). If coverage is written on a claims made basis, such policy shall provide that:

a. The policy retroactive date coincides with or precedes Consultant's start of work (including subsequent policies purchased as renewals or replacements).

b. If the policy is terminated for any reason during the term of this Agreement, Consultant shall either purchase a replacement policy with a retroactive date coinciding with or preceding the retroactive date of the terminating policy, or shall purchase an extended reporting provision of at least two years to report claims arising from work performed in connection with this Agreement and a replacement policy with a retroactive date coinciding with or preceding the expiration date of the terminating policy.

c. If this Agreement is terminated or not renewed, Consultant shall maintain the policy in effect on the date of termination or non-renewal for a period of not less than two years therefrom. If that policy is terminated for any reason during the two year period, Consultant shall purchase an extended reporting provision at least covering the balance of the two year period to report claims arising from work performed in connection with this Agreement or a replacement policy with a retroactive date coinciding with or preceding the retroactive date of the terminating policy.

All Professional Liability policies maintained pursuant to this section shall either be endorsed to name the Agency of Sutter, members of the Board of Supervisors of the Agency of Sutter, its officers, agents and employees, individually and collectively, as additional insureds, or be endorsed to provide that the insurance provided by the policy shall apply to liability assumed by Consultant under written contract with the Agency.

11. Professional Services: The work shall be performed and completed in a professional manner. All services shall be performed in the manner and according to the professional standards observed by a competent practitioner of the profession in which Consultant and any subcontractors are engaged.

12. Responsibility of Consultant. Consultant shall be solely responsible for the quality and accuracy of its work and the work of its consultants performed in connection with this Agreement.

Any review, approval, or concurrence therewith by the Agency shall not be deemed to constitute acceptance or waiver by the Agency of any error or omission as to such work.

Consultant shall coordinate the activities of all sub-consultants and is responsible to ensure that all work products are consistent with one another to produce a unified, workable, and acceptable whole functional product.

Agency shall promptly notify Consultant of any defect in Consultant's performance.

13. Audit. The following audit requirements apply from the effective date of this Agreement until three years after Agency's final payment:

A. Consultant shall allow Agency's authorized representatives reasonable access during normal business hours to inspect, audit, and copy Consultant's records as needed to evaluate and verify any invoices, payments, and claims that Consultant submits to Agency or that any payee of Consultant submits to Consultant in connection with this Agreement. 'Records' includes, but is not limited to, correspondence, accounting records, sub-consultant files, change order files, and any other supporting evidence relevant to the invoices, payments, or claims.

B. Agency and Consultant shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency. Such examinations and audits shall be confined to matters connected with the performance of this Agreement including but not limited to administration costs.

This section shall survive the expiration or termination of this Agreement.

14. Publication of Documents and Data. Consultant shall not publish or disclose to any third party documents or data without the prior written consent of the Agency. However, submission or distribution to meet official regulatory requirements, or for other purposes authorized by this agreement, shall not be construed as publication in derogation of the rights of either the Agency or Consultant.

15. Interest of Consultant. Consultant covenants that it has, at the time of the execution of this Agreement, no interest, and that it shall not acquire any interest in the future, direct or indirect, which would conflict in any manner with the performance of services required to be performed pursuant to this Agreement. Consultant further covenants that in the performance of this work, no person having any such interest shall be employed.

16. Employment Practices. Consultant, by execution of this Agreement, certifies that it does not discriminate against any person upon the basis of race, color, creed, national origin, age, sex, disability, or marital status in its employment practices.

17. Termination. Either party shall have the right to terminate this Agreement at any time by serving upon the other party ten (10) days advance written notice of termination. The notice shall be deemed served and effective for all purposes on the date it is deposited in the United States mail,

postage prepaid and addressed to the Agency or Consultant at the address indicated in Section 4. In the event of termination:

A. Consultant shall immediately cease rendering services pursuant to this Agreement.

B. Consultant shall deliver to the Agency copies of all writings prepared pursuant to this Agreement. The term "writings" shall be construed to mean and include: handwriting, typewriting, drawings, blueprints, printing, photostating, photographing, electronic messages or other documents and every other means of recording upon any tangible thing, any form of communication or representation, including letters, words, pictures, sounds, or symbols or combinations thereof. All materials provided to the Agency upon termination become the property of the Agency.

C. Consultant shall be paid for any required services satisfactorily completed prior to the date of termination less compensation, if any, to Agency for damages suffered as a result of Consultant's failure to comply with the terms of this agreement.

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18. Jurisdiction. This agreement shall be administered and interpreted under the laws of the State of California and any action brought hereunder shall be brought in the Superior Court in and for the ~~Agency~~ County of Sutter.

19. Conflict with Laws or Regulations/Severability. This agreement is subject to all applicable laws and regulations. If any provision of this agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the agreement to either party is lost, the agreement may be terminated at the option of the affected party. In all other cases, the remainder of the agreement shall continue in full force and effect.

20. Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

21. Amendments. Modifications or amendments affecting the proposed scope of work that result in an adjustment of the compensation under this Agreement, shall be in writing and executed by both parties.

22. Entire Agreement. This Agreement, all exhibits attached hereto, all other terms or provisions incorporated herein by reference, and any notice to proceed issued in accordance with the terms hereof constitute the entire Agreement and understanding between the Agency and Consultant as to the subject matter hereof. In the event of any conflict between this Agreement and Exhibit A, this Agreement shall control.

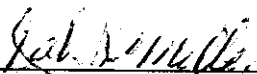
23. Successors and Assigns. This agreement shall be binding upon and shall inure to the benefit of any successors to or assigns of the parties.


24. Construction. This agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply in interpreting this Agreement.

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

CONSULTANT
LINCOLN CROW STRATEGIC
COMMUNICATIONS, LLC


By: 
JOHN MILLER
Chairman

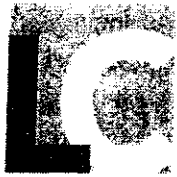
By: 
MICHAEL PERRI
President

DATE: 1/9/08

DATE: 1/9/08

APPROVED AS TO FORM:

By: 
Agency Counsel



LINCOLN CROW

Outline of proposal to Sutter-Butte Flood Control Agency

Summary

This is a proposal for public information, education and strategic communications services to be provided by Lincoln Crow Strategic Communications for the period between January 1, 2008 and the hiring of a permanent Executive Director for the Sutter-Butte Flood Control Agency (Flood Control Agency). In order to provide some context, the proposal summarizes several trends and activities affecting public information efforts, and offers some general longer term program ideas beyond the scope of the proposal.

The general goal of the proposed communications effort is not just to provide information about the work of the Flood Control Agency, but to help heighten awareness of the risk of flooding to residents, farms and businesses in Sutter and Butte Counties and the potential actions that will improve flood protection in the region. Key objectives include:

- Sharing information about the ongoing agendas, business processes and actions of the Flood Control Agency through news releases, news letters and a website.
- Engaging community leaders in the flood control challenges facing the communities of the Yuba City Basin through presentations, forums and networks.
- Building a communication infrastructure (mail and email lists, website, etc.) that the Flood Control Agency will be able to use in the future.

Situation Analysis

Based on the past several months of work in Sutter County, we have indentified several ongoing regional trends and activities that any public information and education effort (also termed *communications*) regarding flood protection efforts must account for. (Similar assessment should be conducted in Biggs, Gridley and portions of unincorporated Butte County that are part of the Flood Control Agency's coverage).

The risk to homes in this county from flooding– whether sheet flooding or pooled flood waters – is greater than that of fire. Yet Sutter County has low participation – about 30% -in federally

supported flood insurance (roughly 7,045 policies out of some 21,541 residential parcels or 31,733 housing units.) That's higher than the state average of 22%, but much lower than Sacramento's 70%+ homeowner participation in Federal Emergency Management Agency's (FEMA) national flood insurance program. This low participation is an indication of the need for more education on the severe risk to life and property from flooding in Sutter County. Home and business owners who understand the limits of the local flood protection system see the threat to their community and to their homes and businesses clearly enough that they buy insurance. And these insurance purchasers will likely be aware of the need for and support financing for improvements to the system.

The unincorporated areas of the County are in the midst of a flood safety review by FEMA, which has already released revised Flood Insurance Rate Maps (FIRMS). When these FIRMS become final next June or July, insurance rates for the 4,292 policies in effect in the unincorporated county will increase from the current \$310 (for a residential property) to \$1,354. New policies in these "special flood hazard areas" are likely to be much more expensive. FEMA will eventually carry out a similar review and "remapping" for Yuba City and points north.

All properties with federally insured mortgages will be required by lenders to purchase flood insurance. Both the City of Yuba City and the County of Sutter participate in the Community Rating System (CRS) of the National Flood Insurance Program (NFIP). Participation can result in lower flood insurance rates, and CRS counts some elements of public outreach and information in their rate reduction calculations. There are number of efforts that the City and County will undertake that affect (generally positively, but with some potential for confusion) the Flood Control Agency's general goal of increasing general understanding of flood risks and the need for improvements to the systems

The Citizens Advisory Committee on Flood Funding, appointed from different parts of Sutter County and cities by local elected leaders, has been looking at models for funding a local share of future flood projects since April 2006. This group is chaired by Sally Serger, one of the co-Chairs of the Measure II and JJ sales tax financing measures of 1998. This group has looked in great detail at the hazards and the sources of funding for flood improvements, and is currently working closely with a City/County consultant on public education measures. The Citizens Advisory Committee recently took the first steps toward creating a committee of local insurance brokers to help raise public awareness and to increase participation in the National Flood Insurance Program, and plans further presentations.

Past Work

Lincoln Crow Strategic Communications has been working with the City and County since September 2007. The work plan has included:

1. Coordinating with the Citizens Advisory Committee, developing a public outreach program with speaking points and handouts and a moderator's guide, and scheduling public presentations to key group of community opinion leaders.
2. Helping introduce the Flood Control Agency and explaining its role to the news media and to the community. (See attached editorials from the *Sacramento Bee* and the *Marysville Appeal Democrat*).
3. Working with the City and County staff on the public information and outreach portions of the CRS.
4. Drafting plans for communications with key groups on the need for improved flood safety in Sutter County.

In addition, the County had a previous contract with Marty Boyer of Forward Communications, who crafted a number of fact sheets on flood hazards used on the County's website and organized a speakers bureau. A number of the County Supervisors held a series of informational meetings in their Districts.

Proposed Future Communications Efforts:

The proposal offered for the Flood Control Agency's initial action only covers the first phase of the communications program outlined in this section of the memo. The Executive Director, when selected by the Flood Control Agency, should have the option to propose a new contract or to add staff to the Flood Control Agency to carry out communications activities. However, we offer a longer term explanation of public information and education efforts to give greater understanding how activities in the first phase will help the public and key parts of the community to understand the longer term challenge facing the region.

Phase 1: Agency organization and outreach for Executive Director

During this phase (currently projected to last six months), the Flood Control Agency will be seeking a permanent Executive Director, who may set a new timeline and call for new priorities regarding public education and information. *During this phase, communication work must focus on building a solid foundation for all future efforts.* Consultants will coordinate with the Flood Control Agency and appropriate staff from city and county agencies to develop a coordinated communications program that utilizes current resources efficiently.

Phase 2: Evaluating studies of the flood protection system and developing the Project

As the Flood Control Agency reviews and accepts the Army Corps of Engineers evaluation, the Agency's engineers will begin developing a series of projects and the Board will develop an

initial project cost and financing plan. The low public awareness of the need for flood insurance is a general proxy for the general public's hazy understanding of the problems in the flood protection system, the need for improvements and the costs of increasing flood protection. *In this phase, communications efforts should revolve around stronger public understanding of the threat and the types of improvements required to public protection.*

Phase 3: *Public education and awareness about the local funding share*

Proposition 218 specifies a variety of public outreach in order to bring an assessment vote before the public, and there are other activities that are useful in a situation of low public awareness. But we strongly advise that the Flood Control Agency set strong direction that all staff and public expenditures be strictly limited to public awareness and education on the facts and content of the proposed assessment, avoiding any advocacy involving public expenditures. *During this phase, communications should focus on different public policy options and community decisions regarding financing improvements.*

Initial Budget for Phase I

Lincoln Crow retainer	\$7,500 per month x 6 months	\$45,000
Miscellaneous expenses (travel, printing, etc.)		5,000
Total		\$50,000

About Lincoln Crow Strategic Communications

Lincoln Crow Strategic Communications works with mission driven organizations to communicate with targeted audiences who can help our clients achieve their goals. Our first step is always research and developing a clear strategic plan. Working with our clients we identify effective communications vehicles and mechanisms to project their mission and to help them achieve their goals. Whether engaged in marketing or public education efforts Lincoln Crow develops a strategic plan to motivate and engage the key audiences our clients need to impact.

We approach every assignment not as a set of separate tasks, but as a campaign effort, working to build momentum on an issue, developing credible local constituencies and delivering targeted messages. Lincoln Crow recognizes that creating the right vehicle for delivering a message requires analysis, planning, budgeting, and development over time. We fine tune campaign objectives and enhance organizational capacities through strategic planning, campaign management, organizational development, political positioning, media management, public affairs, and community relations, so our clients can better achieve their goals. We work with not for profit organizations, labor unions, advocacy groups, grassroots coalitions, select elected officials, community-engaged businesses, public agencies, foundations, and community-based organizations. Our work ranges from electoral initiatives to grass roots

legislative campaigns to social marketing efforts to corporate branding efforts designed to increase engagement in the communities where our clients do business.

Principals Michael Perri and Michael Picker bring decades of campaign management and media relations experience to every client. We work as a team, also bringing diverse experiences in marketing campaigns, union organizing, political campaigns, corporate branding efforts, shareholder accountability efforts, and crisis communications. But we also supplement our skills with other staff members and strategic partners in communities throughout the west.

You can find out more about our staff and clients at www.lincolncrow.com.

Op-Ed: Regional planning needed for flood dollars

By Dan Silva and John Miller

December 8, 2007 - 10:56PM

In Sutter County's early years, building flood protection was a local – or even individual – activity. Not any more. New laws require us to work at a regional level to improve our flood protection.

Sutter County has a long history of flood fights and building flood protections. In the 1920s, the Army Corps of Engineers began building levees, and Shasta Dam was built to help temper the Sacramento during major storms in the 1940s. Oroville Dam was built to catch storm surges off the Feather River drainage in the 1960s. Despite those efforts, we've seen major levee breaks and community flooding in 1955, 1986 and 1997.

We haven't stopped working. Notably, Levee District 1 has re-engineered the levee at Shanghai Bend, one of several weak points that held up against a big storm in 1997. Since then, our community has spent more than \$55 million to upgrade and maintain levees.

Hurricane Katrina focused the entire nation on what can happen when our levees fail. The Paterno legal decision, which found that the state of California is liable for property damage from levee failures in Yuba County, raised the stakes even further.

Last year, California voters approved Proposition 1E to finance \$3.5 billion for flood protection. There are more resources, but more competition and more hurdles.

The message from the state's flood leaders is pretty clear: cooperate and come up with a regional plan. That is why we're setting up a joint powers authority – the Sutter-Butte Flood Control Authority – as a team effort to better respond to flood hazards in the Yuba City Basin. The players on the team aren't new, but we'll now all be working together to come up with one plan and to set priorities for local flood relief for the urban areas over 10,000 population in southern Butte and Sutter counties. Our first meeting will be Wednesday at the Sutter Yuba Economic Development Commission at 1227 Bridge St., Suite C, Yuba City.

The challenges are big, and will require hard work. But if we don't have one clear voice all the communities in the Yuba City flood basin, regardless of political boundaries, we can be sure that we'll be last in line when Sacramento and Washington, D.C., are deciding who receives flood improvement dollars.

Sutter County Supervisor Dan Silva and Yuba City Councilman John Miller will represent their communities on the Sutter Butte Flood Control Agency.

Editorial: Residents of Yuba City area remember floods

Leaders did not give up on improving protection; they want a regional approach

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Sutter and Butte county residents who survived the flood of 1955 will probably never forget the experience. The high water broke levees around Yuba City and other towns, killing 38 people, injuring more than 3,200 and inundating 100,000 acres.

Since then, levee upgrades and the construction of Oroville Dam have improved the flood defenses of Yuba City. Yet it's fair to say that this city of 70,000 remains highly vulnerable.

Floods in 1986 and 1997 came close to rupturing levees that protect the city. Twice in the late 1990s, Sutter County was unable to muster the two-thirds vote (required under Proposition 218) to approve a sales tax increase for flood control.

Despite such setbacks, the people who live in Yuba City basin aren't giving up. Over the last year, Sutter County and the city have been working with Butte and 10 other towns and levee districts to create a new Sutter-Butte Flood Control Agency.

Creation of this new regional entity should put the Yuba City basin in a stronger position to land flood control funds, including some of the \$4.4 billion in bonds that voters approved last year.

Sacramento has its SAFCA, which includes the Sutter County portion of the Natomas basin. Formation of the flood control agency will allow the Yuba City area to compete for Proposition 1E funds, which are designated to enhance protections for areas with 10,000 people or more.

One immediate priority for this new agency is to widen and straighten out a notorious section of the Feather River, known as Star Bend, which is prone to erosion and seepage.

To get an early shot at state funding, both Yuba City and Sutter County have agreed to help pay for the local share of the \$20 million project. Over time, both hope to be repaid through a financing plan that will be developed by the new Sutter-Butte Flood Control Agency.

Officials are floating plans for a benefits assessment district, combined with development impact fees, to pay for flood projects. The agency's board of directors, which is tentatively scheduled to hold its first meeting on Dec. 12, will have final say on such financing proposals.

Although regional bureaucracies are often viewed with distrust, Sutter-Butte leaders have come to realize they must work together on this vital issue, and work quickly.

Flood waters don't respect local boundaries. Officials need to act regionally if they hope to stay ahead of the next storm.

Other localities around the Central Valley should take notice. Sacramento has endorsed local assessments to leverage state flood dollars. West Sacramento has done the same. Proposition 1E is driving localities to change how they do business. That's a healthy outcome for everyone.

SUTTER - BUTTE FLOOD CONTROL AGENCY

June 11, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Cancellation of the July and August 2008 regular meetings

Over the last six months, the Sutter-Butte Flood Control Agency has grown from a Joint Powers Agreement, to a fully functioning Flood Control Agency. We have found a place to meet, and now have the appropriate administrative support in place. We have retained a highly experienced and well respected permanent General Counsel, a highly qualified professional flood control engineer, and a knowledgeable and very skilled public information consultant. We have filed and satisfied the numerous State requirements and acquired the necessary liability insurance. We have secured start-up funding for the Agency, adopted an operating budget for 2007-08 and at this meeting will adopt a budget for the 2008-09 Fiscal Year. We have provided funding for the project known as the set back levee at Star Bend which is being managed by Levee District No. 1. And, finally, we have educated ourselves and are now prepared to participate in a meaningful way in the completion of the studies that are now being conducted by the Federal and State governments such as the levee evaluation study, the Sutter Basin Feasibility Study, and the FEMA map modernization efforts that are underway.

At this time, we believe that the Board of Directors has established the policy and provided the direction for the staff to begin working to participate and influence the direction of the above mentioned studies that are currently underway, to solidify relationships among the member agencies and their staffs, and to refine the schedule for the engineering design of some early implementation projects as well as begin the required planning for a possible assessment election in the fall of 2009. And, since we do not have any major start-up or routine items for the Board's consideration at this time, we recommend cancelling the July and August 2008 regular meetings. During this time, staff will closely monitor the studies and apprise the directors by way of informational status reports relating to the Agency. We believe this will be a more effective use of the directors' and staffs' time. It will also provide a savings of consultant's fees.

In the event a meeting is required, staff will contact the Chairman and a call notice will be issued to all member agencies.

A full briefing will be provided at the September 10, 2008 meeting regarding the status of the studies and any other pertinent issues requiring Board action.

Thank you.

SUTTER - BUTTE FLOOD CONTROL AGENCY

June 11, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Acceptance of donation by Sutter County Supervisor Dan Silva

Background

Sutter County Supervisor Dan Silva has been awarded the Regional Connector Award by Valley Vision, a regional non-profit agency, whose mission is to secure the social, environmental and economic health of the region. Silva received two nominations for the award, one by Congresswoman Doris Matsui and the other by Sacramento Mayor Heather Fargo. In secret balloting, Silva was chosen the winner by the 19-member Board of Directors that oversees Valley Vision's efforts to promote quality of life in El Dorado, Placer, Yolo, Sacramento, Yuba and Sutter counties. The award is for demonstrated regional leadership which he did by highlighting the areas agricultural and flood control issues to name a few.

Supervisor Silva would like to donate \$2,500 of the award to be used towards public outreach on flood control.

Recommendation

Accept the donation from Supervisor Dan Silva in the amount of \$2,500 for public awareness of flood control.

Thank you.

SUTTER - BUTTE FLOOD CONTROL AGENCY

June 11, 2008

TO: Board of Directors

FROM: William H. Edgar, Interim Executive Director

SUBJECT: Presentation by the United States Army Corps of Engineers regarding the re-start of the USACE Feasibility Study for the Sutter Basin.

Summary and Recommendation

The United States Army Corps of Engineers (USACE) will present a status report of the re-start of the USACE Sutter Basin Feasibility Study. Time will be allotted for questions from the Board and/or the public. This is an informational report. No action is required.

Background

The USACE Sutter Basin Feasibility Study was initiated in 2000, and has been stalled since 2006. Staff has been working at all levels to restart the study. The key document which describes the modifications to the scope of work and budget is the Project Management Plan (PMP), which has recently been completed. And, now that all appropriate signatures have been obtained, the Study is officially re-started. The PMP identifies \$5.6M in work required to complete the study over the next 3 years. The local share is currently estimated to be \$2.8M, of which \$2.05M will be met using a Proposition 13 grant, and the remaining \$0.75M will be cash. The local share is higher than typical because of an innovative accelerated execution process which has been approved.

Colonel Thomas C. Chapman, District Engineer for the Sacramento District and his staff will be making the presentation.

Thank you.